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John H. Hammergren and James Beer

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO

EVANSTON POLICE PENSION FUND,
Individually and on Behalf of All Others Similarly
Situating,

Plaintiff,

vs.

MCKESSON CORPORATION, JOHN H.
HAMMERGREN, and JAMES BEER,

Defendants.

Case No. 3:18-cv-06525-CRB

**ANSWER AND AFFIRMATIVE
DEFENSES OF DEFENDANTS TO
CONSOLIDATED CLASS ACTION
COMPLAINT FOR VIOLATIONS OF
THE FEDERAL SECURITIES LAWS**

Honorable Charles R. Breyer

JURY TRIAL DEMANDED

1 Defendants McKesson Corporation, John H. Hammergren and James Beer (“Defendants”),
2 through their undersigned attorneys, hereby answer the Consolidated Class Action Complaint for
3 Violations of the Federal Securities Laws (“Complaint”). Defendants provide this answer subject to,
4 and without waiving, their right to protect from disclosure any and all communications protected by
5 the attorney-client privilege, the attorney work product doctrine, and any other applicable privilege
6 or applicable discovery protection.

7 On October 30, 2019, this Court granted-in-part and denied-in-part Defendants’ motion to
8 dismiss the Complaint. The Court allowed Lead Plaintiff to proceed with respect to three categories
9 of challenged statements, as defined in the Court’s October 30, 2019 order: (1) “supply disruptions”;
10 (2) “competitive market”; and (3) “financial results” to the extent they “put generic drug price
11 increases at issue.” *See* Dkt. 67 at 14-17. Defendants state that no response is required with respect
12 to any alleged misrepresentations or omissions dismissed by the Court.

13 Except as expressly admitted herein, Defendants deny any and all allegations set forth in the
14 Complaint. Defendants object to the section headings and subheadings (which are not repeated
15 below) as argumentative, however, insofar as they purport to state factual allegations, Defendants
16 deny each and every allegation in the section headings. Paragraph numbers in this Answer
17 correspond to paragraph numbers in the Complaint and respond to the allegations in each such
18 paragraph.

19 With regard to the unnumbered paragraphs on page one of the Complaint, Defendants admit
20 that Pension Trust Fund for Operating Engineers (“Lead Plaintiff”) was appointed lead plaintiff in
21 this action by the Court. Defendants admit that Lead Plaintiff purports to bring this action for a
22 “Class Period” which Lead Plaintiff defines as October 24, 2013 through January 25, 2017,
23 inclusive. Defendants admit that Lead Plaintiff purports to bring this action on a class-action basis
24 under the Securities Exchange Act of 1934 (“Exchange Act”) against the Defendants. Defendants
25 deny that class treatment in the manner set forth or for the time period alleged is appropriate, that
26 Lead Plaintiff’s purported claims are typical of the class or that Lead Plaintiff otherwise meets the
27 requirements of Rule 23 of the Federal Rules of Civil Procedure, and further deny that Lead Plaintiff
28 has stated any claim against them under the Exchange Act, or that Lead Plaintiff or members of the

putative class are entitled to the requested relief, or any relief against Defendants.

Defendants further state that John Hammergren is the former Chief Executive Officer of McKesson Corporation (“McKesson”) and state that James Beer is the former Chief Financial Officer of McKesson. Defendants lack sufficient knowledge or information with which to admit or deny Lead Plaintiff’s allegations about its personal knowledge or its counsel’s purported investigation and whether or not any such investigation may or may not have occurred or relied on the documents and sources listed by Lead Plaintiff. Except as so admitted, Defendants deny the factual allegations in the unnumbered paragraphs.

RESPONSE TO ALLEGATIONS

AND NOW, incorporating the foregoing, Defendants further answer the allegations in the Complaint as follows:

1. The allegations of this paragraph are argumentative and consist of legal conclusions to which no response is required. Further, to the extent these allegations relate to portions of Lead Plaintiff’s claims that have been dismissed by the Court, no response is required. Defendants otherwise deny the allegations in paragraph 1.

2. Defendants state that McKesson’s U.S. Pharmaceutical Distribution business supplied branded, specialty and generic pharmaceuticals to customers through three primary channels: (1) retail national accounts; (2) independent retail pharmacies; and (3) institutional healthcare providers, and respectfully refer the Court to McKesson’s 10-Ks during the purported Class Period for a description of its business. Defendants otherwise deny the allegations in paragraph 2.

3. With respect to Lead Plaintiff’s allegations regarding McKesson’s financial results or growth rate, Defendants respectfully refer the Court to McKesson’s 10-Ks for FY 2010 through FY 2013, which Lead Plaintiff appears to be referencing, for a complete and accurate statement of their contents. The remaining allegations of this paragraph are argumentative and consist of legal conclusions to which no response is required. Defendants otherwise deny the allegations in paragraph 3.

4. Defendants admit that McKesson reported its financial results for Q2 2014 on October 24, 2013, and that its fiscal year ends March 31. Defendants further admit that Lead

1 Plaintiff purports to bring this action for a “Class Period” which Lead Plaintiff defines as beginning
 2 on October 24, 2013. To the extent that Lead Plaintiff purports to paraphrase McKesson’s Q2 2014
 3 10-Q, that document speaks for itself and is the best statement of its contents. To the extent that
 4 Lead Plaintiff purports to paraphrase McKesson’s Q2 2014 earnings call transcript, Defendants state
 5 that transcripts are recorded by third parties, and to the extent the transcript differs from what was
 6 actually said, Defendants deny the allegations. In all other respects, the transcript speaks for
 7 itself. Defendants otherwise deny the allegations in paragraph 4.

8 5. To the extent the allegations of this paragraph relate to portions of Lead Plaintiff’s
 9 claims that have been dismissed by the Court, no response is required. Further, to the extent that
 10 Lead Plaintiff purports to quote from or paraphrase the contents of Plaintiff States’ Amended
 11 Complaint in *In re Generic Pharms. Pricing Antitrust Litig.*, No. 17-3786 (16-MD-2724) (E.D. Pa.
 12 Jun. 18, 2018) (ECF No. 15) (“AG Complaint”), an October 31, 2017 fact sheet released by the State
 13 of Connecticut Attorney General, titled “Generic Drugs – Expanded Complaint,” and a December 9,
 14 2018 article in *The Washington Post* titled “Investigation of generic ‘cartel’ expands to 300 drugs,”
 15 those documents speak for themselves and are the best statements of their contents. Defendants
 16 further state that none of the Defendants is named as a defendant in the AG Complaint, and
 17 Defendants deny that they engaged in any of the unlawful conduct challenged in the AG Complaint.
 18 To the extent any further response is required, Defendants deny the allegations as they relate to
 19 Defendants and deny all other allegations because they lack sufficient knowledge or information to
 20 form a belief as to the truth or falsity of the AGs’ allegations regarding the conduct of others.
 21 Defendants otherwise deny the allegations in paragraph 5.

22 6. To the extent that Lead Plaintiff purports to rely upon the segment operating profit for
 23 McKesson’s Distribution Solutions segment reported in McKesson’s 10-Ks, Defendants state that
 24 McKesson’s 10-Ks for FY 2010 through FY 2016 are the best statements of their contents and speak
 25 for themselves. The remaining allegations of this paragraph are argumentative and consist of legal
 26 conclusions to which no response is required. To the extent a further response is required,
 27 Defendants deny the allegations in paragraph 6.

28 7. To the extent the allegations of this paragraph relate to portions of Lead Plaintiff’s

1 claims that have been dismissed by the Court, no response is required. Defendants otherwise deny
2 the allegations in paragraph 7.

3 8. The allegations in paragraph 8 relate to portions of Lead Plaintiff's claims that have
4 been dismissed by the Court. Defendants are not required to answer these allegations. To the extent
5 a response is required, Defendants deny the allegations in paragraph 8.

6 9. The allegations in paragraph 9 relate to portions of Lead Plaintiff's claims that have
7 been dismissed by the Court. Defendants are not required to answer these allegations. To the extent
8 a response is required, Defendants deny the allegations in paragraph 9.

9 10. To the extent the allegations of this paragraph relate to portions of Lead Plaintiff's
10 claims that have been dismissed by the Court, no response is required. Further, to the extent that
11 Plaintiff purports to quote from or paraphrase the contents of the AG Complaint, that document
12 speaks for itself and is the best statement of its contents. Defendants further state that none of the
13 Defendants is named as a defendant in the AG Complaint, and Defendants deny that they engaged in
14 any of the unlawful conduct challenged in the AG Complaint. To the extent any further response is
15 required, Defendants deny the allegations as they relate to Defendants and deny all other allegations
16 because they lack sufficient knowledge or information to form a belief as to the truth or falsity of the
17 AGs' allegations regarding the conduct of others. Defendants otherwise deny the allegations in
18 paragraph 10.

19 11. To the extent that Lead Plaintiff purports to quote from a February 1, 2019 article in
20 *The Washington Post* titled "Prescription drug wholesalers reaped windfall from alleged price-
21 fixing," that document speaks for itself and is the best statement of its contents. Defendants
22 otherwise deny the allegations in paragraph 11.

23 12. To the extent that Lead Plaintiff purports to quote from or to paraphrase transcripts
24 of Defendants' public statements, including at McKesson's June 25, 2014 Annual Investor Day, and
25 June 24, 2015 Annual Investor Day, Defendants state that transcripts are recorded by third parties,
26 and to the extent those transcripts differ from what was actually said, Defendants deny the
27 allegations. In all other respects, the transcripts speak for themselves. To the extent that Lead
28 Plaintiff purports to quote from a February 1, 2019 article in *The Washington Post* titled

1 “Prescription drug wholesalers reaped windfall from alleged price-fixing,” that document speaks for
2 itself and is the best statement of its contents. Defendants otherwise deny the allegations in
3 paragraph 12.

4 13. The allegations in this paragraph are argumentative and consist of legal conclusions
5 to which no response is required. To the extent a response is required, Defendants deny the
6 allegations in paragraph 13.

7 14. The allegations in this paragraph are argumentative and consist of legal conclusions
8 to which no response is required. To the extent a response is required, Defendants deny the
9 allegations in paragraph 14.

10 15. With respect to alleged price declines referred to in paragraph 15, Defendants
11 respectfully refer the Court to publicly reported market services for the trading price of McKesson’s
12 common stock. Defendants otherwise deny the allegations in paragraph 15.

13 16. The allegations in paragraph 16 relate to portions of Lead Plaintiff’s claims that have
14 been dismissed by the Court. Defendants are not required to answer these allegations.

15 17. To the extent these allegations relate to portions of Lead Plaintiff’s claims that have
16 been dismissed by the Court, no response is required. Further, to the extent that Lead Plaintiff
17 purports to quote from or paraphrase transcripts of McKesson’s Q2 2017 and Q3 2017 earnings
18 calls, Defendants state that transcripts are recorded by third parties, and to the extent those
19 transcripts differ from what was actually said, Defendants deny the allegations. In all other respects,
20 the transcripts speak for themselves. With respect to alleged price declines referred to in paragraph
21 17, Defendants respectfully refer the Court to publicly reported market services for the trading price
22 of McKesson’s common stock. Defendants otherwise deny the allegations in paragraph 17.

23 18. Defendants respectfully refer the Court to the Forms 4 filed with the SEC in
24 connection with any sales by Mr. Hammergren for a description of those sales. Defendants
25 otherwise deny the allegations in paragraph 18.

26 19. To the extent that the allegations in paragraph 19 consist of legal conclusions, no
27 answer is required. With respect to the alleged price decline referred to in this paragraph,
28 Defendants respectfully refer the Court to publicly reported market services for the trading price of

1 McKesson stock. Defendants otherwise deny the allegations in paragraph 19.

2 20. To the extent the allegations of paragraph 20 consist of legal conclusions, no response
3 is required. Defendants admit that Lead Plaintiff seeks to state claims against them under Sections
4 10(b), 20(a), and 20A of the Exchange Act. Defendants otherwise deny the allegations in paragraph
5 20.

6 21. To the extent that the allegations in paragraph 21 consist of legal conclusions, no
7 response is required. Defendants admit that Lead Plaintiff purports to base jurisdiction over the
8 subject of this action on the statutes cited in paragraph 21. Defendants otherwise deny the
9 allegations in paragraph 21.

10 22. To the extent that the allegations in paragraph 22 consist of legal conclusions, no
11 response is required. Defendants admit that Lead Plaintiff purports to base venue on the statutes
12 cited in paragraph 22. Defendants otherwise deny the allegations in paragraph 22.

13 23. To the extent that the allegations in paragraph 23 consist of legal conclusions, no
14 response is required. Defendants admit that McKesson used the United States mail and/or a national
15 securities exchange.

16 24. Defendants deny that Lead Plaintiff suffered damages as a result of conduct alleged in
17 the Complaint and otherwise deny information or knowledge sufficient to form a belief as to the
18 truth or falsity of the allegations in paragraph 24, except to admit that on February 8, 2019, Pension
19 Trust Fund For Operating Engineers was appointed Lead Plaintiff by order of this Court.

20 25. Defendants admit that McKesson is incorporated in Delaware, and that its corporate
21 headquarters were in San Francisco. Effective April 1, 2019, McKesson's corporate headquarters
22 moved to Las Colinas, Texas. Defendants admit that McKesson's common stock trades under the
23 ticker symbol "MCK" on the NYSE.

24 26. Mr. Hammergren admits that he was elected president and CEO of McKesson in 2001
25 and chairman in 2002, and that he retired from McKesson, effective March 31, 2019. The
26 allegations of paragraph 26 are not directed at the remaining Defendants, and the remaining
27 Defendants are not required to answer such allegations.

28 27. Mr. Beer admits that he was executive vice president and chief financial officer of

1 McKesson from October 2013 through January 2018. Mr. Beer admits that on December 18, 2017,
2 McKesson announced that he would be leaving the company to pursue a new opportunity. The
3 allegations of paragraph 27 are not directed at the remaining Defendants, and the remaining
4 Defendants are not required to answer such allegations.

5 28. No response is required to the definitional assertion in sentence one of paragraph 28.
6 To the extent the remaining allegations in paragraph 28 consist of legal conclusions, no response is
7 required. Mr. Hammergren admits that as McKesson's CEO between 2001 and March 31, 2019, he
8 was involved in the Company's business and made statements on the Company's behalf. Mr. Beer
9 admits that as McKesson's CFO between October 2013 and January 2018, he was involved in the
10 Company's business and made statements on the Company's behalf. Defendants otherwise deny the
11 allegations in paragraph 28.

12 29. To the extent the allegations in paragraph 29 consist of legal conclusions, no response
13 is required. Defendants state that each Individual Defendant had access to drafts of the Company's
14 earnings call scripts, Q&A, and press releases as part of McKesson's process for earnings calls.
15 Defendants otherwise deny the allegations in paragraph 29.

16 30. To the extent that Lead Plaintiff purports to paraphrase or quote from the January 31,
17 2012 Government Accountability Office ("GAO") report with the subject *Drug Pricing: Research*
18 *on Savings from Generic Drug Use*, that document speaks for itself and is the best statement of its
19 contents. To the extent any further response is required, Defendants deny that the allegations in
20 paragraph 30 accurately and/or completely describe the process by which generic drugs are
21 manufactured, sold and distributed, and Defendants lack knowledge or information sufficient to form
22 a belief as to the truth or falsity of these allegations, and on that basis deny them.

23 31. Defendants deny that the allegations in paragraph 31 accurately and/or completely
24 describe the process by which generic drugs are manufactured, sold and distributed, and Defendants
25 lack knowledge or information sufficient to form a belief as to the truth or falsity of these
26 allegations, and on that basis deny them.

27 32. Defendants state that the allegations in paragraph 32 consist of matters of legal and
28 economic expert opinion to which no answer is required at this time. To the extent any further

1 response is required, Defendants deny that the allegations accurately and/or completely describe the
2 process by which generic drugs are manufactured, sold and distributed, and Defendants lack
3 knowledge or information sufficient to form a belief as to the truth or falsity of these allegations, and
4 on that basis deny them.

5 33. To the extent that Lead Plaintiff purports to quote from or paraphrase a January 8,
6 2014 letter from the National Community Pharmacists Association, Defendants state that the letter
7 speaks for itself and is the best statement of its contents. To the extent any further response is
8 required, Defendants deny that the allegations accurately and/or completely describe the process by
9 which generic drugs are manufactured, sold and distributed, and Defendants lack knowledge or
10 information sufficient to form a belief as to the truth or falsity of these allegations, and on that basis
11 deny them.

12 34. To the extent that Lead Plaintiff purports to quote from the contents of the AG
13 Complaint, that document speaks for itself and is the best statement of its contents. Defendants
14 further state that none of the Defendants is named as a defendant in the AG Complaint, and
15 Defendants deny that they engaged in any of the unlawful conduct challenged in the AG Complaint.
16 To the extent any further response is required, Defendants deny the allegations as they relate to
17 Defendants and deny all other allegations because they lack sufficient knowledge or information to
18 form a belief as to the truth or falsity of the AGs' allegations regarding the conduct of others. To the
19 extent that Lead Plaintiff purports to quote from or paraphrase the contents of the August 2016 GAO
20 Report titled "Generic Drugs Under Medicare," that document speaks for itself and is the best
21 statement of its contents. To the extent any further response is required, Defendants deny that the
22 allegations accurately and/or completely describe the process by which generic drugs are
23 manufactured, sold and distributed, and Defendants lack knowledge or information sufficient to form
24 a belief as to the truth or falsity of these allegations, and on that basis deny them.

25 35. To the extent that Lead Plaintiff purports to quote from or paraphrase the contents of
26 the AG Complaint, that document speaks for itself and is the best statement of its contents.
27 Defendants further state that none of the Defendants is named as a defendant in the AG Complaint,
28 and Defendants deny that they engaged in any of the unlawful conduct challenged in the AG

1 Complaint. To the extent any further response is required, Defendants deny the allegations as they
2 relate to Defendants and deny all other allegations because they lack sufficient knowledge or
3 information to form a belief as to the truth or falsity of the AGs' allegations regarding the conduct of
4 others. To the extent any further response is required, Defendants deny the allegations in paragraph
5 35.

6 36. To the extent that Lead Plaintiff purports to quote from or paraphrase the contents of
7 the AG Complaint, that document speaks for itself and is the best statement of its contents.
8 Defendants further state that none of the Defendants is named as a defendant in the AG Complaint,
9 and Defendants deny that they engaged in any of the unlawful conduct challenged in the AG
10 Complaint. To the extent any further response is required, Defendants deny the allegations as they
11 relate to Defendants and deny all other allegations because they lack sufficient knowledge or
12 information to form a belief as to the truth or falsity of the AGs' allegations regarding the conduct of
13 others. To the extent any further response is required, Defendants deny the allegations in paragraph
14 36.

15 37. To the extent that Lead Plaintiff purports to quote from or paraphrase the allegations
16 of the AGs' Memorandum of Law in Support of Motion by Plaintiff States for a Separate
17 Government Track in the MDL, that document speaks for itself and is the best statement of its
18 contents. Defendants further state that none of the Defendants is named as a defendant in the AG
19 Complaint, and Defendants deny that they engaged in any of the unlawful conduct challenged in the
20 AG Complaint. To the extent any further response is required, Defendants deny the allegations as
21 they relate to Defendants and deny all other allegations because they lack sufficient knowledge or
22 information to form a belief as to the truth or falsity of the AGs' allegations regarding the conduct of
23 others. To the extent any further response is required, Defendants deny the allegations in paragraph
24 37.

25 38. Defendants admit that as publicly reported in January 2017 Glazer and Malek pleaded
26 guilty to antitrust charges, and Defendants respectfully refer the Court to the court documents filed
27 in those cases for a complete and accurate statement of their contents. Defendants lack sufficient
28 knowledge or information to form a belief as to the truth or falsity of the quoted DOJ statement in

1 paragraph 38, and on that basis deny those allegations.

2 39. To the extent that Lead Plaintiff purports to quote from or paraphrase the contents of
3 a March 7, 2018 NPR Article titled “Probe Into Generic Drug Price Fixing Set to Widen,” that
4 document speaks for itself and is the best statement of its contents. Defendants otherwise deny the
5 allegations in paragraph 39.

6 40. To the extent that Lead Plaintiff purports to quote from or paraphrase the contents of
7 a December 10, 2018 article in *The Hartford Courant* titled “Connecticut-led probe of generic
8 ‘cartel’ grows to 300 drugs,” that document speaks for itself and is the best statement of its contents.
9 Defendants otherwise deny the allegations in paragraph 40.

10 41. Defendants state that McKesson was founded in 1833 as Olcott & McKesson.
11 Defendants lack knowledge or information sufficient to form a belief as to the truth or falsity of the
12 remaining allegations in paragraph 41 and on that basis deny them.

13 42. Defendants state that McKesson’s U.S. Pharmaceutical Distribution business supplied
14 branded, specialty and generic pharmaceuticals to customers through three primary channels: (1)
15 retail national accounts; (2) independent retail pharmacies; and (3) institutional healthcare providers,
16 and respectfully refer the Court to McKesson’s 10-Ks during the purported Class Period for a
17 description of its business. Defendants otherwise deny the allegations in paragraph 42.

18 43. To the extent that Lead Plaintiff purports to paraphrase McKesson’s fiscal year
19 operating profit for the Distribution Solutions segment reported in McKesson’s 10-Ks, Defendants
20 respectfully refer the Court to McKesson’s 10-Ks for FY 2010 – FY 2016 for a complete and
21 accurate statement of their contents. Defendants otherwise deny the allegations in paragraph 43.

22 44. Defendants admit that McKesson held its Q4 2013 earnings call on May 7, 2013, and
23 state that transcripts are recorded by third parties, and to the extent the earnings call transcript differs
24 from what was actually said, Defendants deny the allegations. In all other respects, the transcript
25 speaks for itself. To the extent a further response is required, Defendants deny the allegations in
26 paragraph 44.

27 45. To the extent that Lead Plaintiff purports to quote from a transcript of McKesson’s
28 2013 Annual Investor Day, Defendants state that transcripts are recorded by third parties, and to the

1 extent the transcript differs from what was actually said, Defendants deny the allegations. In all
2 other respects, the transcript speaks for itself. Defendants admit that McKesson held its Q1 2014
3 earnings call on July 25, 2013, and that Mr. Hammergren was among the participants. Defendants
4 state that transcripts are recorded by third parties, and to the extent the earnings call transcript differs
5 from what was actually said, Defendants deny the allegations. In all other respects, the transcript
6 speaks for itself. Defendants otherwise deny the allegations in paragraph 45.

7 46. Defendants admit that McKesson held its earnings call for Q2 2014 on October 24,
8 2013 and that Mr. Hammergren was among the participants. Defendants state that transcripts are
9 recorded by third parties, and to the extent the earnings call transcript differs from what was actually
10 said, Defendants deny the allegations. In all other respects, the transcript speaks for itself.
11 Defendants otherwise deny the allegations in paragraph 46.

12 47. Defendants admit that McKesson held its earnings call for Q2 2014 on October 24,
13 2013, and that on that call the company provided updated full-year guidance. Defendants state that
14 transcripts are recorded by third parties, and to the extent the earnings call transcript differs from
15 what was actually said, Defendants deny the allegations. In all other respects, the transcript speaks
16 for itself. Defendants otherwise deny the allegations in paragraph 47.

17 48. To the extent that the allegations of paragraph 48 purport to be a summary of
18 transcripts of unspecified earnings calls or investor conferences, Defendants state that such
19 transcripts are recorded by third parties, and to the extent those transcripts differ from what was
20 actually said, Defendants deny the allegations. In all other respects, the transcripts speak for
21 themselves. Defendants otherwise deny the allegations in paragraph 48.

22 49. Defendants admit that on February 25, 2014, McKesson presented at the Citi Global
23 Healthcare Conference, and that Mr. Beer was among the participants. Defendants state that
24 transcripts are recorded by third parties, and to the extent the presentation transcript differs from
25 what was actually said, Defendants deny the allegations. In all other respects, the transcript speaks
26 for itself. Defendants otherwise deny the allegations in paragraph 49.

27 50. Defendants admit that on June 25, 2014 McKesson held its Annual Investor Day
28 presentation and that on May 12, 2014, McKesson held its Q4 2014 earnings call, and that Mr. Beer

1 was among the participants on these calls or presentations. Defendants state that transcripts are
2 recorded by third parties, and to the extent the presentation transcript differs from what was actually
3 said, Defendants deny the allegations. In all other respects, the transcript speaks for itself.

4 Defendants otherwise deny the allegations in paragraph 50.

5 51. Defendants admit that on July 31, 2014, McKesson held its Q1 2015 earnings call,
6 and that Mr. Beer was among the participants. Defendants state that transcripts are recorded by third
7 parties, and to the extent the earnings call transcript differs from what was actually said, Defendants
8 deny the allegations. In all other respects, the transcript speaks for itself. Defendants otherwise
9 deny the allegations in paragraph 51.

10 52. Defendants admit that on September 9, 2014, McKesson presented at the Morgan
11 Stanley Healthcare Conference, and that Mr. Beer was among the participants. Defendants state that
12 transcripts are recorded by third parties, and to the extent the presentation transcript differs from
13 what was actually said, Defendants deny the allegations. In all other respects, the transcript speaks
14 for itself. Defendants otherwise deny the allegations in paragraph 52.

15 53. Defendants admit that on March 3, 2015, McKesson presented at the Cowen & Co.
16 Healthcare Conference, and that Mr. Beer was among the participants. Defendants state that
17 transcripts are recorded by third parties, and to the extent the presentation transcript differs from
18 what was actually said, Defendants deny the allegations. In all other respects, the transcript speaks
19 for itself. Defendants otherwise deny the allegations in paragraph 53.

20 54. Defendants admit that on May 13, 2015, McKesson presented at the Bank of America
21 Merrill Lynch Healthcare Conference, and that Mr. Beer was among the participants. Defendants
22 state that transcripts are recorded by third parties, and to the extent the presentation transcript differs
23 from what was actually said, Defendants deny the allegations. In all other respects, the transcript
24 speaks for itself. Defendants otherwise deny the allegations in paragraph 54.

25 55. Defendants admit that on September 16, 2015, McKesson presented at the Morgan
26 Stanley Global Healthcare Conference, and that Mr. Beer was among the participants. Defendants
27 state that transcripts are recorded by third parties, and to the extent the presentation transcript differs
28 from what was actually said, Defendants deny the allegations. In all other respects, the transcript

1 speaks for itself. Defendants otherwise deny the allegations in paragraph 55.

2 56. Defendants admit that on January 11, 2016, McKesson held a Guidance / Update call,
3 and that Mr. Hammergren was among the participants. Defendants state that transcripts are recorded
4 by third parties, and to the extent the Guidance / Update call transcript differs from what was
5 actually said, Defendants deny the allegations. In all other respects, the transcript speaks for itself.
6 With respect to alleged stock price increases referred to in paragraph 56, Defendants respectfully
7 refer the Court to publicly reported market services for the trading price of McKesson's common
8 stock. Defendants otherwise deny the allegations in paragraph 56.

9 57. Defendants deny the allegations in paragraph 57.

10 58. The allegations of this paragraph are argumentative and state hypotheticals to which
11 no response is required. To the extent any further response is required, Defendants deny the
12 allegations in paragraph 58.

13 59. The allegations of this paragraph are argumentative and state hypotheticals to which
14 no response is required. To the extent any further response is required, Defendants deny the
15 allegations in paragraph 59.

16 60. The allegations of this paragraph are argumentative and state hypotheticals to which
17 no response is required. To the extent any further response is required, Defendants deny the
18 allegations in paragraph 60.

19 61. The allegations of this paragraph are argumentative and state hypotheticals to which
20 no response is required. To the extent any further response is required, Defendants deny the
21 allegations in paragraph 61.

22 62. To the extent that plaintiffs purports to paraphrase or quote from transcripts of
23 McKesson's Q4 2013 earnings call and McKesson's Q3 2016 earnings call, Defendants state that
24 transcripts are recorded by third parties, and to the extent those transcripts differ from what was
25 actually said, Defendants deny the allegations. In all other respects, the transcripts speak for
26 themselves. Defendants otherwise deny the allegations of paragraph 62.

27 63. To the extent that Lead Plaintiff purports to paraphrase or quote from transcripts of
28 McKesson's October 24, 2013 Q2 2014 earnings call, McKesson's November 12, 2013 presentation

1 at the Credit Suisse Annual Healthcare Conference, McKesson's January 13, 2014 presentation at
 2 the J.P. Morgan Annual Healthcare Conference, McKesson's September 9, 2014 presentation at the
 3 Morgan Stanley Healthcare Conference, and McKesson's June 24, 2015 Annual Investor Day,
 4 Defendants state that transcripts are recorded by third parties, and to the extent those transcripts
 5 differ from what was actually said, Defendants deny the allegations. In all other respects, the
 6 transcripts speak for themselves. Defendants otherwise deny the allegations in paragraph 63.

7 64. To the extent that Lead Plaintiff purports to paraphrase or quote from transcripts of
 8 McKesson's May 20, 2014 presentation at the UBS Global Healthcare Conference, McKesson's
 9 June 11, 2014 presentation at the Goldman Sachs Global Healthcare Conference, McKesson's Q&A
 10 session at the January 13, 2015 J.P. Morgan Healthcare Conference, McKesson's March 3, 2015
 11 presentation at the Cowen & Co. Healthcare Conference, McKesson's June 9, 2015 presentation at
 12 the Goldman Sachs Healthcare Conference, and McKesson's June 24, 2015 Annual Investor Day,
 13 Defendants state that transcripts are recorded by third parties, and to the extent those transcripts
 14 differ from what was actually said, Defendants deny the allegations. In all other respects, the
 15 transcripts speak for themselves. Defendants otherwise deny the allegations in paragraph 64.

16 65. To the extent that the allegations of paragraph 65 relate to Defendants, Defendants
 17 deny these allegations, and deny all other allegations because they lack sufficient knowledge or
 18 information to form a belief as to the truth or falsity of allegations regarding the conduct of others.
 19 Defendants otherwise deny the allegations in paragraph 65.

20 66. The allegations in paragraph 66 relate to portions of Lead Plaintiff's claims that have
 21 been dismissed by the Court. Defendants are not required to answer these allegations.

22 67. The allegations in paragraph 67 relate to portions of Lead Plaintiff's claims that have
 23 been dismissed by the Court. Defendants are not required to answer these allegations.

24 68. The allegations in paragraph 68 relate to portions of Lead Plaintiff's claims that have
 25 been dismissed by the Court. Defendants are not required to answer these allegations.

26 69. The allegations in paragraph 69 relate to portions of Lead Plaintiff's claims that have
 27 been dismissed by the Court. Defendants are not required to answer these allegations.

28 70. The allegations in paragraph 70 relate to portions of Lead Plaintiff's claims that have

1 been dismissed by the Court. Defendants are not required to answer these allegations.

2 71. The allegations in paragraph 71 relate to portions of Lead Plaintiff's claims that have
3 been dismissed by the Court. Defendants are not required to answer these allegations.

4 72. The allegations in paragraph 72 relate to portions of Lead Plaintiff's claims that have
5 been dismissed by the Court. Defendants are not required to answer these allegations.

6 73. The allegations in paragraph 73 relate to portions of Lead Plaintiff's claims that have
7 been dismissed by the Court. Defendants are not required to answer these allegations.

8 74. The allegations in paragraph 74 relate to portions of Lead Plaintiff's claims that have
9 been dismissed by the Court. Defendants are not required to answer these allegations.

10 75. The allegations in paragraph 75 relate to portions of Lead Plaintiff's claims that have
11 been dismissed by the Court. Defendants are not required to answer these allegations.

12 76. The allegations in paragraph 76 relate to portions of Lead Plaintiff's claims that have
13 been dismissed by the Court. Defendants are not required to answer these allegations.

14 77. The allegations in paragraph 77 relate to portions of Lead Plaintiff's claims that have
15 been dismissed by the Court. Defendants are not required to answer these allegations.

16 78. The allegations in paragraph 78 relate to portions of Lead Plaintiff's claims that have
17 been dismissed by the Court. Defendants are not required to answer these allegations.

18 79. To the extent the allegations of this paragraph relate to portions of Lead Plaintiff's
19 claims that have been dismissed by the Court, no response is required. Further, to the extent that
20 Lead Plaintiff purports to quote from transcripts of McKesson's May 13, 2015 presentation at the
21 Bank of America Merrill Lynch Healthcare Conference, McKesson's June 24, 2015 Annual Investor
22 Day, McKesson's July 29, 2015 Q1 2016 earnings call, McKesson's November 10, 2015
23 presentation at the Credit Suisse Healthcare Conference, McKesson's January 27, 2016 Q3 2016
24 earnings call, McKesson's September 13, 2016 presentation at the Morgan Stanley Global
25 Healthcare Conference, and McKesson's November 8, 2016 presentation at the Credit Suisse
26 Healthcare Conference, Defendants state that transcripts are recorded by third parties, and to the
27 extent those transcripts differ from what was actually said, Defendants deny the allegations. In all
28 other respects, the transcripts speak for themselves. Defendants otherwise deny the allegations in

1 paragraph 79.

2 80. To the extent that the allegations of paragraph 80 relate to Defendants, Defendants
3 deny these allegations, and deny all other allegations because they lack sufficient knowledge or
4 information to form a belief as to the truth or falsity of allegations regarding the conduct of others.
5 Defendants otherwise deny the allegations in paragraph 80.

6 81. To the extent that Lead Plaintiff purports to quote from a February 1, 2019 article in
7 *The Washington Post* titled “Prescription drug wholesalers reaped windfall from alleged price-
8 fixing” or an October 31, 2017 fact sheet released by the State of Connecticut Attorney General,
9 titled “Generic Drugs – Expanded Complaint,” those documents speak for themselves and are the
10 best statements of their contents. Defendants otherwise deny the allegations in paragraph 81.

11 82. Defendants deny the allegations in paragraph 82.

12 83. To the extent that Lead Plaintiff purports to quote from transcripts of McKesson’s
13 May 15, 2013 presentation at the Bank of America Merrill Lynch Healthcare Conference,
14 McKesson’s September 30, 2014 presentation at the Leerink Partners Rare Disease Roundtable and
15 McKesson’s June 29, 2016 Annual Investor Day, Defendants state that transcripts are recorded by
16 third parties, and to the extent those transcripts differ from what was actually said, Defendants deny
17 the allegations. In all other respects, the transcripts speak for themselves. Defendants otherwise
18 deny the allegations in paragraph 83.

19 84. To the extent that the allegations in paragraph 84 relate to portions of Lead Plaintiff’s
20 claims that have been dismissed by the Court, no response is required. Defendants otherwise deny
21 the allegations in paragraph 84.

22 85. The allegations in paragraph 85 relate to portions of Lead Plaintiff’s claims that have
23 been dismissed by the Court. Defendants are not required to answer these allegations.

24 86. The allegations in paragraph 86 relate to portions of Lead Plaintiff’s claims that have
25 been dismissed by the Court. Defendants are not required to answer these allegations.

26 87. To the extent that the allegations in paragraph 87 relate to portions of Lead Plaintiff’s
27 claims that have been dismissed by the Court, no response is required. To the extent that Lead
28 Plaintiff purports to quote from or paraphrase transcripts of McKesson’s June 26, 2013 Annual

Investor Day presentation, McKesson's January 13, 2014 presentation at the J.P. Morgan Healthcare Conference, and McKesson's January 30, 2014 Q3 2014 earnings call, Defendants state that transcripts are recorded by third parties, and to the extent those transcripts differ from what was actually said, Defendants deny the allegations. In all other respects, the transcripts speak for themselves. Defendants otherwise deny the allegations in paragraph 87.

88. The allegations in paragraph 88 relate to portions of Lead Plaintiff's claims that have been dismissed by the Court. Defendants are not required to answer these allegations.

89. The allegations in paragraph 89 relate to portions of Lead Plaintiff's claims that have been dismissed by the Court. Defendants are not required to answer these allegations.

90. The allegations in paragraph 90 relate to portions of Lead Plaintiff's claims that have been dismissed by the Court. Defendants are not required to answer these allegations.

91. The allegations in paragraph 91 relate to portions of Lead Plaintiff's claims that have been dismissed by the Court. Defendants are not required to answer these allegations.

92. The allegations in paragraph 92 relate to portions of Lead Plaintiff's claims that have been dismissed by the Court. Defendants are not required to answer these allegations.

93. To the extent that Lead Plaintiff purports to quote from or paraphrase the contents of the AG Complaint, that document speaks for itself and is the best statement of its contents. Defendants further state that none of the Defendants is named as a defendant in the AG Complaint, and Defendants deny that they engaged in any of the unlawful conduct challenged in the AG Complaint. To the extent any further response is required, Defendants deny the allegations as they relate to Defendants and deny all other allegations because they lack sufficient knowledge or information to form a belief as to the truth or falsity of the AGs' allegations regarding the conduct of others. To the extent any further response is required, Defendants deny the allegations in paragraph 93.

94. To the extent that Lead Plaintiff purports to quote from or paraphrase the contents of the AG Complaint, that document speaks for itself and is the best statement of its contents. Defendants further state that none of the Defendants is named as a defendant in the AG Complaint, and Defendants deny that they engaged in any of the unlawful conduct challenged in the AG

1 Complaint. To the extent any further response is required, Defendants deny the allegations as they
 2 relate to Defendants and deny all other allegations because they lack sufficient knowledge or
 3 information to form a belief as to the truth or falsity of the AGs' allegations regarding the conduct of
 4 others. To the extent any further response is required, Defendants deny the allegations in paragraph
 5 94.

6 95. To the extent that Lead Plaintiff purports to quote from or paraphrase the contents of
 7 the AG Complaint, that document speaks for itself and is the best statement of its contents.
 8 Defendants further state that none of the Defendants is named as a defendant in the AG Complaint,
 9 and Defendants deny that they engaged in any of the unlawful conduct challenged in the AG
 10 Complaint. To the extent any further response is required, Defendants deny the allegations as they
 11 relate to Defendants and deny all other allegations because they lack sufficient knowledge or
 12 information to form a belief as to the truth or falsity of the AGs' allegations regarding the conduct of
 13 others. To the extent any further response is required, Defendants deny the allegations in paragraph
 14 95.

15 96. The allegations in paragraph 96 relate to portions of Lead Plaintiff's claims that have
 16 been dismissed by the Court. Defendants are not required to answer these allegations.

17 97. The allegations in paragraph 97 relate to portions of Lead Plaintiff's claims that have
 18 been dismissed by the Court. Defendants are not required to answer these allegations.

19 98. The allegations in paragraph 98 relate to portions of Lead Plaintiff's claims that have
 20 been dismissed by the Court. Defendants are not required to answer these allegations.

21 99. The allegations in paragraph 99 relate to portions of Lead Plaintiff's claims that have
 22 been dismissed by the Court. Defendants are not required to answer these allegations.

23 100. The allegations in paragraph 100 relate to portions of Lead Plaintiff's claims that
 24 have been dismissed by the Court. Defendants are not required to answer these allegations.

25 101. The allegations in paragraph 101 relate to portions of Lead Plaintiff's claims that
 26 have been dismissed by the Court. Defendants are not required to answer these allegations.

27 102. The allegations in paragraph 102 relate to portions of Lead Plaintiff's claims that
 28 have been dismissed by the Court. Defendants are not required to answer these allegations.

1 103. The allegations in paragraph 103 relate to portions of Lead Plaintiff's claims that
2 have been dismissed by the Court. Defendants are not required to answer these allegations.

3 104. To the extent the allegations in paragraph 104 relate to portions of Lead Plaintiff's
4 claims that have been dismissed by the Court, no response is required. Defendants further state that
5 the allegations in paragraph 104 consist of matters of legal and economic expert opinion to which no
6 answer is required at this time. To the extent a further response is required, Defendants state that to
7 the extent the allegations of paragraph 104 relate to the actions of generics manufacturers,
8 Defendants lack knowledge or information sufficient to form a belief as to the truth or falsity of
9 these allegations, and on that basis deny them. Defendants otherwise deny the allegations in
10 paragraph 104.

11 105. To the extent the allegations in paragraph 105 relate to portions of Lead Plaintiff's
12 claims that have been dismissed by the Court, no response is required. Defendants further state that
13 the allegations in paragraph 105 consist of matters of legal and economic expert opinion to which no
14 answer is required at this time. To the extent a further response is required, Defendants state that to
15 the extent the allegations of paragraph 105 relate to the actions of generics manufacturers,
16 Defendants lack knowledge or information sufficient to form a belief as to the truth or falsity of
17 these allegations, and on that basis deny them. Defendants otherwise deny the allegations in
18 paragraph 105.

19 106. The allegations in paragraph 106 consist of legal conclusions to which no response is
20 required.

21 107. The allegations in paragraph 107 consist of legal conclusions to which no response is
22 required.

23 108. To the extent the allegations in paragraph 108 relate to portions of Lead Plaintiff's
24 claims that have been dismissed by the Court, no response is required. Defendants further state that
25 the allegations in paragraph 108 consist of matters of legal and economic expert opinion to which no
26 answer is required at this time. To the extent a further response is required, Defendants state that to
27 the extent the allegations of paragraph 108 relate to the actions of generics manufacturers,
28 Defendants lack knowledge or information sufficient to form a belief as to the truth or falsity of

1 these allegations, and on that basis deny them. Defendants otherwise deny the allegations in
2 paragraph 108.

3 109. The allegations in paragraph 109 consist of matters of legal and economic expert
4 opinion to which no response is required at this time. To the extent a further response is required,
5 Defendants lack knowledge or information sufficient to form a belief as to the truth or falsity of
6 these allegations, and on that basis deny them.

7 110. To the extent the allegations in paragraph 110 relate to portions of Lead Plaintiff's
8 claims that have been dismissed by the Court, no response is required. Defendants further state that
9 the allegations in paragraph 110 consist of matters of legal and economic expert opinion to which no
10 answer is required at this time. To the extent a further response is required, Defendants state that to
11 the extent the allegations of paragraph 110 relate to the actions of generics manufacturers,
12 Defendants lack knowledge or information sufficient to form a belief as to the truth or falsity of
13 these allegations, and on that basis deny them. Defendants otherwise deny the allegations in
14 paragraph 110.

15 111. To the extent the allegations in paragraph 111 relate to portions of Lead Plaintiff's
16 claims that have been dismissed by the Court, no response is required. Defendants further state that
17 the allegations in paragraph 111 consist of matters of legal and economic expert opinion to which no
18 answer is required at this time. To the extent a further response is required, Defendants state that to
19 the extent the allegations of paragraph 111 relate to the actions of generics manufacturers,
20 Defendants lack knowledge or information sufficient to form a belief as to the truth or falsity of
21 these allegations, and on that basis deny them. Defendants otherwise deny the allegations in
22 paragraph 111.

23 112. To the extent the allegations in paragraph 112 relate to portions of Lead Plaintiff's
24 claims that have been dismissed by the Court, no response is required. Defendants further state that
25 the allegations in paragraph 112 consist of matters of legal and economic expert opinion to which no
26 answer is required at this time. To the extent a further response is required, Defendants state that to
27 the extent the allegations of paragraph 112 relate to the actions of generics manufacturers,
28 Defendants lack knowledge or information sufficient to form a belief as to the truth or falsity of

1 these allegations, and on that basis deny them. Defendants otherwise deny the allegations in
2 paragraph 112.

3 113. To the extent the allegations in paragraph 113 relate to portions of Lead Plaintiff's
4 claims that have been dismissed by the Court, no response is required. Defendants further state that
5 the allegations in paragraph 113 consist of matters of legal and economic expert opinion to which no
6 answer is required at this time. To the extent a further response is required, Defendants state that to
7 the extent the allegations of paragraph 113 relate to the actions of generics manufacturers,
8 Defendants lack knowledge or information sufficient to form a belief as to the truth or falsity of
9 these allegations, and on that basis deny them. Defendants otherwise deny the allegations in
10 paragraph 113.

11 114. The allegations in paragraph 114 consist of matters of legal and economic expert
12 opinion to which no response is required at this time. To the extent a further response is required,
13 Defendants state that to the extent the allegations of paragraph 114 relate to the actions of generics
14 manufacturers, Defendants lack knowledge or information sufficient to form a belief as to the truth
15 or falsity of these allegations, and on that basis deny them. Defendants otherwise deny the
16 allegations in paragraph 114.

17 115. The allegations in paragraph 115 consist of matters of legal and economic or other
18 expert opinion to which no response is required at this time. To the extent a further response is
19 required, Defendants state that to the extent the allegations of paragraph 115 relate to the actions of
20 generics manufacturers, Defendants lack knowledge or information sufficient to form a belief as to
21 the truth or falsity of these allegations, and on that basis deny them. Defendants otherwise deny the
22 allegations in paragraph 115.

23 116. To the extent that allegations of paragraph 116 relate to portions of Lead Plaintiff's
24 claims that have been dismissed by the Court, no response is required. Defendants further state that
25 the allegations in paragraph 116 consist of matters of legal and economic expert opinion to which no
26 answer is required at this time. To the extent a further response is required, Defendants state that to
27 the extent the allegations of paragraph 116 relate to the actions of generics manufacturers,
28 Defendants lack knowledge or information sufficient to form a belief as to the truth or falsity of

1 these allegations, and on that basis deny them. Defendants otherwise deny the allegations in
2 paragraph 116.

3 117. To the extent that the allegations of paragraph 117 relate to portions of Lead
4 Plaintiff's claims that have been dismissed by the Court, no response is required. Further, to the
5 extent that Plaintiff purports to quote from or paraphrase the contents of the AG Complaint, that
6 document speaks for itself and is the best statement of its contents. Defendants further state that
7 none of the Defendants is named as a defendant in the AG Complaint, and Defendants deny that they
8 engaged in any of the unlawful conduct challenged in the AG Complaint. To the extent any further
9 response is required, Defendants deny the allegations as they relate to Defendants and deny all other
10 allegations because they lack sufficient knowledge or information to form a belief as to the truth or
11 falsity of the AGs' allegations regarding the conduct of others. To the extent any further response is
12 required, Defendants deny the allegations in paragraph 117.

13 118. To the extent that the allegations of paragraph 118 relate to portions of Lead
14 Plaintiff's claims that have been dismissed by the Court, no response is required. Defendants admit
15 that McKesson is a member of the Healthcare Distribution Alliance ("HDA"), and that McKesson
16 personnel have attended HDA conferences. Defendants otherwise deny the allegations in paragraph
17 118.

18 119. To the extent that the allegations of paragraph 119 relate to portions of Lead
19 Plaintiff's claims that have been dismissed by the Court, no response is required. Defendants admit
20 that McKesson is a member of the HDA, that McKesson personnel have held leadership roles in
21 HDA, and that McKesson personnel have attended HDA conferences. Further, to the extent that the
22 remaining allegations in paragraph 119 relate to Defendants, Defendants deny these allegations, and
23 deny all other allegations because they lack sufficient knowledge or information to form a belief as
24 to the truth or falsity of allegations regarding the conduct of others. Defendants otherwise deny the
25 allegations in paragraph 119.

26 120. To the extent that the allegations of paragraph 120 relate to portions of Lead
27 Plaintiff's claims that have been dismissed by the Court, no response is required. To the extent that
28 any response is required, with respect to the first sentence of paragraph 120, which Lead Plaintiff

1 appears to be quoting from a version of the AAM website, Defendants respectfully refer the Court to
2 the AAM website as the best statement of its contents. Further, to the extent that the remaining
3 allegations in paragraph 120 relate to Defendants, Defendants deny these allegations, and deny all
4 other allegations because they lack sufficient knowledge or information to form a belief as to the
5 truth or falsity of allegations regarding the conduct of others. Defendants otherwise deny the
6 allegations in paragraph 120.

7 121. The allegations in paragraph 121 relate to portions of Lead Plaintiff's claims that
8 have been dismissed by the Court. Defendants are not required to answer these allegations. To the
9 extent that a response is required, Defendants state that to the extent that Lead Plaintiff purports to
10 quote from the transcripts of McKesson's Q1 2014 earnings call, McKesson's January 11, 2016
11 Guidance / Update call, McKesson's Q3 2014 earnings call, or McKesson's June 24, 2015 Annual
12 Investor Day, Defendants state that transcripts are recorded by third parties, and to the extent those
13 transcripts differ from what was actually said, Defendants deny the allegations. In all other respects,
14 the transcripts speak for themselves. Further, to the extent that Lead Plaintiff purports to quote from
15 or paraphrase the contents of the AG Complaint, that document speaks for itself and is the best
16 statement of its contents. Defendants further state that none of the Defendants is named as a
17 defendant in the AG Complaint, and Defendants deny that they engaged in any of the unlawful
18 conduct challenged in the AG Complaint. To the extent any further response is required, Defendants
19 deny the allegations as they relate to Defendants and deny all other allegations because they lack
20 sufficient knowledge or information to form a belief as to the truth or falsity of the AGs' allegations
21 regarding the conduct of others. Defendants otherwise deny the allegations in paragraph 121.

22 122. To the extent that Lead Plaintiff purports to quote from or paraphrase transcripts of
23 McKesson's June 24, 2015 Annual Investor Day, McKesson's Q2 2014 earnings call, or other
24 unspecified public statements, Defendants state that transcripts are recorded by third parties, and to
25 the extent those transcripts differ from what was actually said, Defendants deny the allegations. In
26 all other respects, the transcripts speak for themselves. Defendants admit that McKesson held its Q3
27 2014 earnings call on January 30, 2014 and that Mr. Hammergren was among the participants, and
28 state that transcripts are recorded by third parties, and to the extent the transcript differs from what

1 was actually said, Defendants deny the allegations. In all other respects, the transcript speaks for
2 itself. Defendants otherwise deny the allegations in paragraph 122.

3 123. To the extent that Lead Plaintiff purports to quote from or paraphrase a transcript of
4 McKesson's June 24, 2015 Annual Investor Day, Defendants state that transcripts are recorded by
5 third parties, and to the extent the transcript differs from what was actually said, Defendants deny the
6 allegations. In all other respects, the transcript speaks for itself. Defendants admit that McKesson
7 presented at the 2014 J.P. Morgan Healthcare Conference and that Mr. Hammergren was among the
8 participants, and state that transcripts are recorded by third parties, and to the extent the conference
9 transcript differs from what was actually said, Defendants deny the allegations. In all other respects,
10 the transcript speaks for itself. Defendants otherwise deny the allegations in paragraph 123.

11 124. Defendants admit that on October 24, 2013, McKesson held earnings call for Q2
12 2014 and that Mr. Hammergren was among the participants, and state that transcripts are recorded
13 by third parties, and to the extent the earnings call transcript differs from what was actually said,
14 Defendants deny the allegations. In all other respects, the transcript speaks for itself. Defendants
15 otherwise deny the allegations in paragraph 124.

16 125. Defendants admit that on June 29, 2016, McKesson held its 2016 Annual Investor
17 Day and that Mr. Hammergren was among the participants, and state that transcripts are recorded by
18 third parties, and to the extent the presentation transcript differs from what was actually said,
19 Defendants deny the allegations. In all other respects, the transcript speaks for itself. Defendants
20 further admit that on November 8, 2016 McKesson presented at the Credit Suisse Healthcare
21 Conference and that Mr. Hammergren was among the participants, and state that transcripts are
22 recorded by third parties, and to the extent the presentation transcript differs from what was actually
23 said, Defendants deny the allegations. In all other respects, the transcript speaks for itself.
24 Defendants otherwise deny the allegations in paragraph 125.

25 126. Defendants admit that on June 25, 2014, McKesson held its 2014 Annual Investor
26 Day and state that transcripts are recorded by third parties, and to the extent the presentation
27 transcript differs from what was actually said, Defendants deny the allegations. In all other respects,
28 the transcript speaks for itself. Defendants further admit that on July 31, 2014, McKesson held its

1 Q1 2015 earnings call and that Mr. Hammergren was among the participants, and state that
2 transcripts are recorded by third parties, and to the extent the earnings call transcript differs from
3 what was actually said, Defendants deny the allegations. In all other respects, the transcript speaks
4 for itself. Defendants further admit that on June 11, 2014, McKesson presented at the Goldman
5 Sachs Global Healthcare Conference and that Mr. Beer was among the participants, and state that
6 transcripts are recorded by third parties, and to the extent the presentation transcript differs from
7 what was actually said, Defendants deny the allegations. In all other respects, the transcript speaks
8 for itself. Defendants otherwise deny the allegations in paragraph 126.

9 127. To the extent that the allegations in paragraph 127 purport to paraphrase or quote
10 from a transcript of McKesson's June 24, 2015 Annual Investor Day, Defendants state that
11 transcripts are recorded by third parties, and to the extent the transcript differs from what was
12 actually said, Defendants deny the allegations. In all other respects, the transcript speaks for itself.
13 Defendants otherwise deny the allegations in paragraph 127.

14 128. To the extent that the allegations in paragraph 128 purport to paraphrase or
15 summarize the transcripts of unspecified public statements, Defendants state that transcripts are
16 recorded by third parties, and to the extent those transcripts differ from what was actually said,
17 Defendants deny the allegations. In all other respects, the transcripts speak for themselves.
18 Defendants otherwise deny the allegations in paragraph 128.

19 129. To the extent that the allegations in paragraph 129 relate to portions of Lead
20 Plaintiff's claims that have been dismissed by the Court, Defendants are not required to answer these
21 allegations. To the extent a response is required, Defendants admit that McKesson presented at the
22 J.P. Morgan Healthcare Conference on January 13, 2014, held its earnings call for Q1 2016 on July
23 29, 2015, held its earnings call for Q2 2016 on October 29, 2015, presented at the Credit Suisse
24 Healthcare Conference on November 10, 2015, held its earnings call for Q3 2016 on January 27,
25 2016, held its earnings call for Q4 2016 on May 4, 2016, and held its 2016 Annual Investor Day on
26 June 29, 2016, and that Mr. Hammergren participated in these calls and presentations. Defendants
27 further state that transcripts are recorded by third parties, and to the extent those call or presentation
28 transcripts differ from what was actually said, Defendants deny the allegations. In all other respects,

1 the transcripts speak for themselves. Defendants otherwise deny the allegations in paragraph 129.

2 130. To the extent that the allegations in paragraph 130 relate to portions of Lead
3 Plaintiff's claims that have been dismissed by the Court, Defendants are not required to answer these
4 allegations. To the extent a response is required, Defendants admit that on January 30, 2014,
5 McKesson held its Q3 2014 earnings call, and that Mr. Hammergren was among the participants,
6 and state that transcripts are recorded by third parties, and to the extent the earnings call transcript
7 differs from what was actually said, Defendants deny the allegations. In all other respects, the
8 transcript speaks for itself. To the extent that Lead Plaintiff purports to quote from McKesson's
9 presentation at the 2014 J.P. Morgan Healthcare Conference, Defendants further state that transcripts
10 are recorded by third parties, and to the extent the presentation transcript differs from what was
11 actually said, Defendants deny the allegations. In all other respects, the transcript speaks for itself.
12 Defendants otherwise deny the allegations in paragraph 130.

13 131. To the extent that the allegations in paragraph 131 relate to portions of Lead
14 Plaintiff's claims that have been dismissed by the Court, Defendants are not required to answer these
15 allegations. To the extent a response is required, Defendants admit that on January 11, 2016,
16 McKesson held a Guidance/ Update call and that Mr. Hammergren and Mr. Beer were among the
17 participants, and state that transcripts are recorded by third parties, and to the extent the Guidance /
18 Update call transcript differs from what was actually said, Defendants deny the allegations. In all
19 other respects, the transcript speaks for itself. Defendants otherwise deny the allegations in
20 paragraph 131.

21 132. Paragraph 132 relates to portions of Lead Plaintiff's claims that have been dismissed
22 by the Court. Defendants are not required to answer these allegations. To the extent that a response
23 is required, Defendants admit that McKesson held a Guidance / Update call on January 11, 2016 and
24 that Mr. Hammergren was among the participants. Defendants further state that transcripts are
25 recorded by third parties, and to the extent the Guidance / Update call transcript differs from what
26 was actually said, Defendants deny the allegations. In all other respects, the transcript speaks for
27 itself. Defendants otherwise deny the allegations in paragraph 132.

28 133. Paragraph 133 relates to portions of Lead Plaintiff's claims that have been dismissed

1 by the Court. Defendants are not required to answer these allegations. To the extent that a response
2 is required, Defendants admit that McKesson held its earnings call for 2Q 2017 on October 27, 2016
3 and that Mr. Beer was among the participants. Defendants further state that transcripts are recorded
4 by third parties, and to the extent the earnings call transcript differs from what was actually said,
5 Defendants deny the allegations. In all other respects, the transcript speaks for itself. Defendants
6 otherwise deny the allegations in paragraph 133.

7 134. Paragraph 134 relates to portions of Lead Plaintiff's claims that have been dismissed
8 by the Court. Defendants are not required to answer these allegations. To the extent that a response
9 is required, Defendants admit that McKesson held its earnings call for 3Q 2017 on January 25, 2017
10 and that Mr. Beer was among the participants. Defendants further state that transcripts are recorded
11 by third parties, and to the extent the earnings call transcript differs from what was actually said,
12 Defendants deny the allegations. In all other respects, the transcript speaks for itself. Defendants
13 otherwise deny the allegations in paragraph 134.

14 135. Defendants admit that on October 24, 2013, McKesson held its earnings call for Q2
15 2014, and that Mr. Hammergren and Mr. Beer were among the participants on that call. To the
16 extent that the allegations in paragraph 135 relate to portions of Plaintiff's claims dismissed by the
17 Court, Defendants are not required to answer these allegations. Further, to the extent that the
18 remaining allegations of paragraph 135 consist of legal conclusions, no response is required. To the
19 extent a response is required, Defendants state that transcripts are recorded by third parties, and to
20 the extent the earnings call transcript differs from what was actually said, Defendants deny the
21 allegations. In all other respects, the transcript speaks for itself. Defendants otherwise deny the
22 allegations in paragraph 135.

23 136. Defendants admit that on November 12, 2013, McKesson presented at the 2013
24 Credit Suisse Annual Healthcare Conference, and that Mr. Hammergren was among the participants.
25 To the extent that the allegations in paragraph 136 relate to portions of Lead Plaintiff's claims that
26 have been dismissed by the Court, Defendants are not required to answer these allegations. Further,
27 to the extent that the remaining allegations of paragraph 136 consist of legal conclusions, no
28 response is required. To the extent a response is required, Defendants state that transcripts are

1 recorded by third parties, and to the extent the presentation transcript differs from what was actually
2 said, Defendants deny the allegations. In all other respects, the transcript speaks for itself.
3 Defendants otherwise deny the allegations in paragraph 136.

4 137. Defendants admit that on January 13, 2014, McKesson presented at the 2014 J.P.
5 Morgan Healthcare Conference, and that Mr. Hammergren was among the participants. To the
6 extent that the allegations in paragraph 137 consist of legal conclusions, no response is required. To
7 the extent a response is required, Defendants state that transcripts are recorded by third parties, and
8 to the extent the presentation transcript differs from what was actually said, Defendants deny the
9 allegations. In all other respects, the transcript speaks for itself. Defendants otherwise deny the
10 allegations in paragraph 137.

11 138. Defendants admit that on January 30, 2014, McKesson held its earnings call for Q3
12 2014, and that Mr. Hammergren and Mr. Beer were among the participants. To the extent that the
13 allegations in paragraph 138 relate to portions of Lead Plaintiff's claims that have been dismissed by
14 the Court, Defendants are not required to answer these allegations. Further, to the extent that the
15 remaining allegations of paragraph 138 consist of legal conclusions, no response is required. To the
16 extent a response is required, Defendants state that transcripts are recorded by third parties, and to
17 the extent the earnings call transcript differs from what was actually said, Defendants deny the
18 allegations. In all other respects, the transcript speaks for itself. Defendants otherwise deny the
19 allegations in paragraph 138.

20 139. The allegations in paragraph 139 relate to portions of Lead Plaintiff's claims that
21 have been dismissed by the Court. Defendants are not required to answer these allegations. Further,
22 to the extent that the allegations in paragraph 139 consist of legal conclusions, no response is
23 required. To the extent a response is required, Defendants admit that on May 12, 2014, McKesson
24 held its earnings call for Q4 2014 and that Mr. Hammergren and Mr. Beer were among the
25 participants, and state that transcripts are recorded by third parties, and to the extent the earnings call
26 transcript differs from what was actually said, Defendants deny the allegations. In all other respects,
27 the transcript speaks for itself. Defendants otherwise deny the allegations in paragraph 139.

28 140. To the extent the allegations in paragraph 140 consist of legal conclusions, no answer

1 is required. Defendants further answer the four subparts of paragraph 140 as follows:

- 2 (a) To the extent that Lead Plaintiff purports to paraphrase the contents of the AG
3 Complaint, that document speaks for itself and is the best statement of its contents.
4 Defendants further state that none of the Defendants is named as a defendant in the
5 AG Complaint, and Defendants deny that they engaged in any of the unlawful
6 conduct challenged in the AG Complaint. To the extent any further response is
7 required, Defendants deny the allegations as they relate to Defendants and deny all
8 other allegations because they lack sufficient knowledge or information to form a
9 belief as to the truth or falsity of the AGs' allegations regarding the conduct of others.
10 Further, to the extent Lead Plaintiff purports to quote or paraphrase from the
11 transcripts of unspecified public statements, Defendants state that transcripts are
12 recorded by third parties, and to the extent those transcripts differ from what was
13 actually said, Defendants deny the allegations. In all other respects, the transcripts
14 speak for themselves. Defendants otherwise deny the allegations in subpart (a) of
15 paragraph 140;
- 16 (b) Subpart (b) of paragraph 140 relates to portions of Lead Plaintiff's claims that have
17 been dismissed by the Court. Defendants are not required to answer these allegations;
- 18 (c) To the extent that the allegations of subpart (c) of paragraph 140 relate to portions of
19 Lead Plaintiff's claims that have been dismissed by the Court, no response is
20 required. Defendants otherwise deny the allegations in subpart (c) of paragraph 140;
- 21 (d) To the extent that the allegations of subpart (d) of paragraph 140 relate to portions of
22 Lead Plaintiff's claims that have been dismissed by the Court, no response is
23 required. Defendants otherwise deny the allegations in subpart (d) of paragraph 140.

24 141. Defendants admit that on May 20, 2014, McKesson presented at the UBS Global
25 Healthcare Conference, and that Mr. Beer was among the participants. To the extent that the
26 allegations of paragraph 141 consist of legal conclusions, no response is required. To the extent a
27 response is required, Defendants state that transcripts are recorded by third parties, and to the extent
28 the presentation transcript differs from what was actually said, Defendants deny the allegations. In

1 all other respects, the transcript speaks for itself. Defendants otherwise deny the allegations in
2 paragraph 141.

3 142. Defendants admit that on June 11 2014, McKesson presented at the Goldman Sachs
4 Global Healthcare Conference, and that Mr. Beer was among the participants. To the extent that the
5 allegations of paragraph 142 consist of legal conclusions, no response is required. To the extent a
6 response is required, Defendants state that transcripts are recorded by third parties, and to the extent
7 the presentation transcript differs from what was actually said, Defendants deny the allegations. In
8 all other respects, the transcript speaks for itself. Defendants otherwise deny the allegations in
9 paragraph 142.

10 143. The allegations in paragraph 143 relate to portions of Lead Plaintiff's claims that
11 have been dismissed by the Court. Defendants are not required to answer these allegations. Further,
12 to the extent that the allegations in paragraph 143 consist of legal conclusions, no response is
13 required. To the extent a response is required, Defendants admit that on June 25, 2014, McKesson
14 held its 2014 Annual Investor Day and that Mr. Hammergren and Mr. Beer were among the
15 participants, and state that transcripts are recorded by third parties, and to the extent the presentation
16 transcript differs from what was actually said, Defendants deny the allegations. In all other respects,
17 the transcript speaks for itself. Defendants otherwise deny the allegations in paragraph 143.

18 144. Defendants admit that on July 31, 2014, McKesson held its earnings call for Q1 2015,
19 and that Mr. Hammergren and Mr. Beer were among the participants. To the extent that the
20 allegations of paragraph 144 consist of legal conclusions, no response is required. To the extent a
21 response is required, Defendants state that transcripts are recorded by third parties, and to the extent
22 the earnings call transcript differs from what was actually said, Defendants deny the allegations. In
23 all other respects, the transcript speaks for itself. Defendants otherwise deny the allegations in
24 paragraph 144.

25 145. Defendants admit that on September 9, 2014, McKesson presented at the Morgan
26 Stanley Healthcare Conference, and that Mr. Beer was among the participants. To the extent that the
27 allegations of paragraph 145 consist of legal conclusions, no response is required. To the extent a
28 response is required, Defendants state that transcripts are recorded by third parties, and to the extent

1 the presentation transcript differs from what was actually said, Defendants deny the allegations. In
2 all other respects, the transcript speaks for itself. Defendants otherwise deny the allegations in
3 paragraph 145.

4 146. Defendants admit that on September 30, 2014, McKesson presented at the Leerink
5 Partners Rare Disease Roundtable, and that Mr. Beer was among the participants. To the extent that
6 the allegations of paragraph 146 consist of legal conclusions, no response is required. To the extent
7 a response is required, Defendants state that transcripts are recorded by third parties, and to the
8 extent the presentation transcript differs from what was actually said, Defendants deny the
9 allegations. In all other respects, the transcript speaks for itself. Defendants otherwise deny the
10 allegations in paragraph 146.

11 147. The allegations in paragraph 147 relate to portions of Lead Plaintiff's claims that
12 have been dismissed by the Court. Defendants are not required to answer these allegations. Further,
13 to the extent that the allegations in paragraph 147 consist of legal conclusions, no response is
14 required. To the extent a response is required, Defendants admit that on October 28, 2014,
15 McKesson held its earnings call for Q2 2015 and that Mr. Hammergren and Mr. Beer were among
16 the participants, and state that transcripts are recorded by third parties, and to the extent the earnings
17 call transcript differs from what was actually said, Defendants deny the allegations. In all other
18 respects, the transcript speaks for itself. Defendants otherwise deny the allegations in paragraph
19 147.

20 148. Defendants admit that on January 13, 2015 McKesson presented at the 2015 J.P.
21 Morgan Healthcare Conference, and that Mr. Hammergren and Mr. Beer were among the
22 participants. To the extent that the allegations in paragraph 148 relate to portions of Lead Plaintiff's
23 claims that have been dismissed by the Court, Defendants are not required to answer these
24 allegations. Further, to the extent that the remaining allegations of paragraph 148 consist of legal
25 conclusions, no response is required. To the extent a response is required, Defendants state that
26 transcripts are recorded by third parties, and to the extent the presentation transcript differs from
27 what was actually said, Defendants deny the allegations. In all other respects, the transcript speaks
28 for itself. Defendants otherwise deny the allegations in paragraph 148.

1 149. The allegations in paragraph 149 relate to portions of Lead Plaintiff's claims that
2 have been dismissed by the Court. Defendants are not required to answer these allegations. Further,
3 to the extent that the allegations in paragraph 149 consist of legal conclusions, no response is
4 required. To the extent a response is required, Defendants admit that on February 5, 2015,
5 McKesson held its earnings call for Q3 2015 and that Mr. Hammergren and Mr. Beer were among
6 the participants, and state that transcripts are recorded by third parties, and to the extent the earnings
7 call transcript differs from what was actually said, Defendants deny the allegations. In all other
8 respects, the transcript speaks for itself. Defendants otherwise deny the allegations in paragraph
9 149.

10 150. Defendants admit that on March 3, 2015 McKesson presented at the Cowen & Co.
11 Healthcare Conference, and that Mr. Beer was among the participants. To the extent that the
12 allegations of paragraph 150 consist of legal conclusions, no response is required. To the extent a
13 response is required, Defendants state that transcripts are recorded by third parties, and to the extent
14 the presentation transcript differs from what was actually said, Defendants deny the allegations. In
15 all other respects, the transcript speaks for itself. Defendants otherwise deny the allegations in
16 paragraph 150.

17 151. The allegations in paragraph 151 relate to portions of Lead Plaintiff's claims that
18 have been dismissed by the Court. Defendants are not required to answer these allegations. Further,
19 to the extent that the allegations in paragraph 151 consist of legal conclusions, no response is
20 required. To the extent a response is required, Defendants admit that on May 12, 2015, McKesson
21 held its earnings call for Q4 2015 and that Mr. Hammergren and Mr. Beer were among the
22 participants, and state that transcripts are recorded by third parties, and to the extent the earnings call
23 transcript differs from what was actually said, Defendants deny the allegations. In all other respects,
24 the transcript speaks for itself. Defendants otherwise deny the allegations in paragraph 151.

25 152. To the extent the allegations in paragraph 152 consist of legal conclusions, no answer
26 is required. Defendants further answer the four subparts of paragraph 152 as follows:

- 27 (a) To the extent that Lead Plaintiff purports to paraphrase the contents of the AG
28 Complaint, that document speaks for itself and is the best statement of its contents.

Defendants further state that none of the Defendants is named as a defendant in the AG Complaint, and Defendants deny that they engaged in any of the unlawful conduct challenged in the AG Complaint. To the extent any further response is required, Defendants deny the allegations as they relate to Defendants and deny all other allegations because they lack sufficient knowledge or information to form a belief as to the truth or falsity of the AGs' allegations regarding the conduct of others. Further, to the extent Lead Plaintiff purports to quote or paraphrase from the transcripts of unspecified public statements, Defendants state that transcripts are recorded by third parties, and to the extent those transcripts differ from what was actually said, Defendants deny the allegations. In all other respects, the transcripts speak for themselves. Defendants otherwise deny the allegations in subpart (a) of paragraph 152;

(b) Subpart (b) of paragraph 152 relates to portions of Lead Plaintiff's claims that have been dismissed by the Court. Defendants are not required to answer these allegations;

(c) To the extent that the allegations of subpart (c) of paragraph 152 relate to portions of Lead Plaintiff's claims that have been dismissed by the Court, no response is required. Defendants otherwise deny the allegations in subpart (c) of paragraph 152;

(d) To the extent that the allegations of subpart (d) of paragraph 152 relate to portions of Lead Plaintiff's claims that have been dismissed by the Court, no response is required. Defendants otherwise deny the allegations in subpart (d) of paragraph 152.

153. The allegations in paragraph 153 relate to portions of Lead Plaintiff's claims that have been dismissed by the Court. Defendants are not required to answer these allegations. Further, to the extent that the allegations in paragraph 153 consist of legal conclusions, no response is required. To the extent a response is required, Defendants admit that on May 13, 2015, McKesson presented at the Bank of America Merrill Lynch Healthcare Conference and that Mr. Beer was among the participants, and state that transcripts are recorded by third parties, and to the extent the presentation transcript differs from what was actually said, Defendants deny the allegations. In all other respects, the transcript speaks for itself. Defendants otherwise deny the allegations in

1 paragraph 153.

2 154. Defendants admit that on June 9, 2015 McKesson presented at the Goldman Sachs
3 Healthcare Conference, and that Mr. Beer was among the participants. To the extent that the
4 allegations of paragraph 154 consist of legal conclusions, no response is required. To the extent a
5 response is required, Defendants state that transcripts are recorded by third parties, and to the extent
6 the presentation transcript differs from what was actually said, Defendants deny the allegations. In
7 all other respects, the transcript speaks for itself. Defendants otherwise deny the allegations in
8 paragraph 154.

9 155. Defendants admit that on June 24, 2015 McKesson held its Annual Investor Day
10 presentation, and that Mr. Hammergren and Mr. Beer were among the participants. To the extent
11 that the allegations in paragraph 155 relate to portions of Lead Plaintiff's claims that have been
12 dismissed by the Court, Defendants are not required to answer these allegations. Further, to the
13 extent that the remaining allegations of paragraph 155 consist of legal conclusions, no response is
14 required. To the extent a response is required, Defendants state that transcripts are recorded by third
15 parties, and to the extent the presentation transcript differs from what was actually said, Defendants
16 deny the allegations. In all other respects, the transcript speaks for itself. Defendants otherwise
17 deny the allegations in paragraph 155.

18 156. Defendants admit that on July 29, 2015, McKesson held its Q1 2016 earnings call and
19 that Mr. Hammergren was among the participants. To the extent that the allegations of paragraph
20 156 relate to portions of Lead Plaintiff's claims that have been dismissed by the Court, Defendants
21 are not required to answer these allegations. Further, to the extent that the remaining allegations of
22 paragraph 156 consist of legal conclusions, no response is required. To the extent a response is
23 required, Defendants state that transcripts are recorded by third parties, and to the extent the earnings
24 call transcript differs from what was actually said, Defendants deny the allegations. In all other
25 respects, the transcript speaks for itself. Defendants otherwise deny the allegations in paragraph
26 156.

27 157. The allegations in paragraph 157 relate to portions of Lead Plaintiff's claims that
28 have been dismissed by the Court. Defendants are not required to answer these allegations. Further,

1 to the extent that the allegations in paragraph 157 consist of legal conclusions, no response is
2 required. To the extent a response is required, Defendants admit that on September 16, 2015,
3 McKesson presented at the Morgan Stanley Global Healthcare Conference and that Mr. Beer was
4 among the participants, and state that transcripts are recorded by third parties, and to the extent the
5 presentation transcript differs from what was actually said, Defendants deny the allegations. In all
6 other respects, the transcript speaks for itself. Defendants otherwise deny the allegations in
7 paragraph 157.

8 158. The allegations in paragraph 158 relate to portions of Lead Plaintiff's claims that
9 have been dismissed by the Court. Defendants are not required to answer these allegations. Further,
10 to the extent that the allegations in paragraph 158 consist of legal conclusions, no response is
11 required. To the extent a response is required, Defendants admit that on October 29, 2015,
12 McKesson held its earnings call for Q2 2016 and that Mr. Hammergren and Mr. Beer were among
13 the participants, and state that transcripts are recorded by third parties, and to the extent the earnings
14 call transcript differs from what was actually said, Defendants deny the allegations. In all other
15 respects, the transcript speaks for itself. Defendants otherwise deny the allegations in paragraph
16 158.

17 159. The allegations in paragraph 159 relate to portions of Lead Plaintiff's claims that
18 have been dismissed by the Court. Defendants are not required to answer these allegations. Further,
19 to the extent that the allegations in paragraph 159 consist of legal conclusions, no response is
20 required. To the extent a response is required, Defendants admit that on November 10, 2015,
21 McKesson presented at the Credit Suisse Healthcare Conference and that Mr. Hammergren was
22 among the participants, and state that transcripts are recorded by third parties, and to the extent the
23 presentation transcript differs from what was actually said, Defendants deny the allegations. In all
24 other respects, the transcript speaks for itself. Defendants otherwise deny the allegations in
25 paragraph 159.

26 160. The allegations in paragraph 160 relate to portions of Lead Plaintiff's claims that
27 have been dismissed by the Court. Defendants are not required to answer these allegations. Further,
28 to the extent that the allegations in paragraph 160 consist of legal conclusions, no response is

1 required. To the extent a response is required, Defendants admit that on January 11, 2016,
2 McKesson held a Guidance/ Update call and that Mr. Hammergren and Mr. Beer were among the
3 participants, and state that transcripts are recorded by third parties, and to the extent the Guidance /
4 Update call transcript differs from what was actually said, Defendants deny the allegations. In all
5 other respects, the transcript speaks for itself. Defendants otherwise deny the allegations in
6 paragraph 160.

7 161. The allegations in paragraph 161 relate to portions of Lead Plaintiff's claims that
8 have been dismissed by the Court. Defendants are not required to answer these allegations. Further,
9 to the extent that the allegations in paragraph 161 consist of legal conclusions, no response is
10 required. To the extent a response is required, Defendants admit that on January 27, 2016,
11 McKesson held its earnings call for Q3 2016 and that Mr. Hammergren and Mr. Beer were among
12 the participants, and state that transcripts are recorded by third parties, and to the extent the earnings
13 call transcript differs from what was actually said, Defendants deny the allegations. In all other
14 respects, the transcript speaks for itself. Defendants otherwise deny the allegations in paragraph
15 161.

16 162. The allegations in paragraph 162 relate to portions of Plaintiff's claims that have been
17 dismissed by the Court. Defendants are not required to answer these allegations. Further, to the
18 extent that the allegations in paragraph 162 consist of legal conclusions, no response is required. To
19 the extent a response is required, Defendants admit that on May 4, 2016, McKesson held its earnings
20 call for Q4 2016 and that Mr. Hammergren and Mr. Beer were among the participants, and state that
21 transcripts are recorded by third parties, and to the extent the earnings call transcript differs from
22 what was actually said, Defendants deny the allegations. In all other respects, the transcript speaks
23 for itself. Defendants otherwise deny the allegations in paragraph 162.

24 163. To the extent the allegations in paragraph 163 consist of legal conclusions, no answer
25 is required. Defendants further answer the five subparts of paragraph 163 as follows:

- 26 (a) To the extent that Lead Plaintiff purports to paraphrase the contents of the AG
27 Complaint, that document speaks for itself and is the best statement of its contents.
28 Defendants further state that none of the Defendants is named as a defendant in the

AG Complaint, and Defendants deny that they engaged in any of the unlawful conduct challenged in the AG Complaint. To the extent any further response is required, Defendants deny the allegations as they relate to Defendants and deny all other allegations because they lack sufficient knowledge or information to form a belief as to the truth or falsity of the AGs' allegations regarding the conduct of others. Further, to the extent Lead Plaintiff purports to quote or paraphrase from the transcripts of unspecified public statements, Defendants state that transcripts are recorded by third parties, and to the extent those transcripts differ from what was actually said, Defendants deny the allegations. In all other respects, the transcripts speak for themselves. Defendants otherwise deny the allegations in subpart (a) of paragraph 163;

(b) Subpart (b) of paragraph 163 relates to portions of Lead Plaintiff's claims that have been dismissed by the Court. Defendants are not required to answer these allegations;

(c) Subpart (c) of paragraph 163 relates to portions of Lead Plaintiff's claims that have been dismissed by the Court. Defendants are not required to answer these allegations;

(d) To the extent that the allegations of subpart (d) of paragraph 163 relate to portions of Lead Plaintiff's claims that have been dismissed by the Court, no response is required. Defendants otherwise deny the allegations in subpart (d) of paragraph 163;

(e) To the extent that the allegations of subpart (e) of paragraph 163 relate to portions of Lead Plaintiff's claims that have been dismissed by the Court, no response is required. Defendants otherwise deny the allegations in subpart (e) of paragraph 163.

164. Defendants admit that on June 29, 2016, McKesson held its Annual Investor Day and that Mr. Hammergren and Mr. Beer were among the participants. To the extent that the allegations in paragraph 164 relate to portions of Lead Plaintiff's claims dismissed by the Court, Defendants are not required to answer these allegations. Further, to the extent that the allegations of paragraph 164 consist of legal conclusions, no response is required. To the extent a response is required, Defendants state that transcripts are recorded by third parties, and to the extent the presentation transcript differs from what was actually said, Defendants deny the allegations. In all other respects,

1 the transcript speaks for itself. Defendants otherwise deny the allegations in paragraph 164.

2 165. The allegations in paragraph 165 relate to portions of Plaintiff's claims that have been
 3 dismissed by the Court. Defendants are not required to answer these allegations. Further, to the
 4 extent that the allegations in paragraph 165 consist of legal conclusions, no response is required. To
 5 the extent a response is required, Defendants admit that on September 13, 2016, McKesson
 6 presented at the Morgan Stanley Global Healthcare Conference and that Mr. Beer was among the
 7 participants, and state that transcripts are recorded by third parties, and to the extent the presentation
 8 transcript differs from what was actually said, Defendants deny the allegations. In all other respects,
 9 the transcript speaks for itself. Defendants otherwise deny the allegations in paragraph 165.

10 166. To the extent the allegations in paragraph 166 consist of legal conclusions, no answer
 11 is required. Defendants further answer the three subparts of paragraph 166 as follows:

- 12 (a) To the extent that the allegations of subpart (a) of paragraph 166 relate to portions of
 13 Lead Plaintiff's claims that have been dismissed by the Court, no response is
 14 required. Further, to the extent Lead Plaintiff purports to quote or paraphrase from
 15 the transcripts of unspecified public statements, Defendants state that transcripts are
 16 recorded by third parties, and to the extent those transcripts differ from what was
 17 actually said, Defendants deny the allegations. In all other respects, the transcripts
 18 speak for themselves. Defendants otherwise deny the allegations in subpart (a) of
 19 paragraph 166;
- 20 (b) Subpart (b) of paragraph 166 relates to portions of Lead Plaintiff's claims that have
 21 been dismissed by the Court. Defendants are not required to answer these allegations;
- 22 (c) To the extent that the allegations of subpart (c) of paragraph 166 relate to portions of
 23 Lead Plaintiff's claims that have been dismissed by the Court, no response is
 24 required. Defendants otherwise deny the allegations in subpart (c) of paragraph 166.

25 167. To the extent the allegations in paragraph 167 relate to portions of Lead Plaintiff's
 26 claims that have been dismissed by the Court, Defendants are not required to answer these
 27 allegations. Further, to the extent that the remaining allegations of paragraph 167 consist of legal
 28 conclusions, no response is required. Defendants otherwise deny the allegations in paragraph 167.

1 168. Defendants admit that the Forms 10-Q and Forms 10-K listed in paragraphs 169
2 through 181 contained certifications pursuant to the Sarbanes-Oxley Act of 2002 signed by Mr.
3 Hammergren and by Mr. Beer. Defendants state that those certifications speak for themselves and
4 are the best statements of their contents. Defendants otherwise deny the allegations in paragraph
5 168.

6 169. To the extent that the allegations in paragraph 169 relate to portions of Lead
7 Plaintiff's claims that have been dismissed by the Court, Defendants are not required to answer these
8 allegations. Defendants admit that McKesson filed a Form 8-K on October 24, 2013 attaching a
9 press release announcing the Company's preliminary results for the second quarter ended September
10 30, 2013, and that Mr. Beer signed the 8-K. Defendants further admit that on October 24, 2013,
11 McKesson filed its 10-Q for the second quarter ended September 30, 2013, that Mr. Beer signed the
12 10-Q, and that Mr. Hammergren and Mr. Beer signed certifications pursuant to the Sarbanes-Oxley
13 Act of 2002 in connection with the 10-Q. Defendants state that the October 24, 2013 8-K and 10-Q
14 are the best statements of their contents and speak for themselves. Defendants otherwise deny the
15 allegations in paragraph 169.

16 170. The allegations in paragraph 170 relate to portions of Lead Plaintiff's claims that
17 have been dismissed by the Court. Defendants are not required to answer these allegations. To the
18 extent a response is required, Defendants admit that McKesson filed a Form 8-K on January 30,
19 2014 attaching a press release announcing the Company's preliminary results for the third quarter
20 ended December 31, 2013, and that Mr. Beer signed the 8-K. Defendants further admit that on
21 January 30, 2014, McKesson filed its 10-Q for the third quarter ended December 31, 2013, that Mr.
22 Beer signed the 10-Q, and that Mr. Hammergren and Mr. Beer signed certifications pursuant to the
23 Sarbanes-Oxley Act of 2002 in connection with the 10-Q. Defendants state that the January 30,
24 2014 8-K and 10-Q are the best statements of their contents and speak for themselves. Defendants
25 otherwise deny the allegations in paragraph 170.

26 171. To the extent that the allegations in paragraph 171 relate to portions of Lead
27 Plaintiff's claims that have been dismissed by the Court, Defendants are not required to answer these
28 allegations. Defendants admit that McKesson filed a Form 8-K on May 12, 2014 attaching a press

1 release announcing the Company's preliminary results for the fourth quarter and fiscal year ended
2 March 31, 2014, and that Mr. Beer signed the 8-K. Defendants further admit that on May 14, 2014,
3 McKesson filed its 10-K for the fiscal year ended March 31, 2014, that Mr. Hammergren and Mr.
4 Beer signed the 10-K and that Mr. Hammergren and Mr. Beer signed certifications pursuant to the
5 Sarbanes-Oxley Act of 2002 in connection with the 10-K. Defendants state that the May 12, 2014 8-
6 K and May 14, 2014 10-K are the best statements of their contents and speak for themselves.
7 Defendants otherwise deny the allegations in paragraph 171.

8 172. To the extent that the allegations in paragraph 172 relate to portions of Lead
9 Plaintiff's claims that have been dismissed by the Court, Defendants are not required to answer these
10 allegations. Defendants admit that McKesson filed a Form 8-K on July 31, 2014 attaching a press
11 release announcing the Company's preliminary results for the first quarter ended June 30, 2014, and
12 that Mr. Beer signed the 8-K. Defendants further admit that on July 31, 2014, McKesson filed its
13 10-Q for the first quarter ended June 30, 2014, that Mr. Beer signed the 10-Q, and that Mr.
14 Hammergren and Mr. Beer signed certifications pursuant to the Sarbanes-Oxley Act of 2002 in
15 connection with the 10-Q. Defendants state that the July 31, 2014 8-K and 10-Q are the best
16 statements of their contents and speak for themselves. Defendants otherwise deny the allegations in
17 paragraph 172.

18 173. To the extent that the allegations in paragraph 173 relate to portions of Lead
19 Plaintiff's claims that have been dismissed by the Court, Defendants are not required to answer these
20 allegations. Defendants admit that McKesson filed a Form 8-K on October 28, 2014 attaching a
21 press release announcing the Company's preliminary results for the second quarter ended September
22 30, 2014, and that Mr. Beer signed the 8-K. Defendants further admit that on October 28, 2014,
23 McKesson filed its 10-Q for the second quarter ended September 30, 2014, that Mr. Beer signed the
24 10-Q, and that Mr. Hammergren and Mr. Beer signed certifications pursuant to the Sarbanes-Oxley
25 Act of 2002 in connection with the 10-Q. Defendants state that the October 28, 2014 8-K and 10-Q
26 are the best statements of their contents and speak for themselves. Defendants otherwise deny the
27 allegations in paragraph 173.

28 174. To the extent that the allegations in paragraph 174 relate to portions of Lead

1 Plaintiff's claims that have been dismissed by the Court, Defendants are not required to answer these
2 allegations. Defendants admit that McKesson filed a Form 8-K on February 5, 2015 attaching a
3 press release announcing the Company's preliminary results for the third quarter ended December
4 31, 2014, and that Mr. Beer signed the 8-K. Defendants further admit that on February 5, 2015,
5 McKesson filed its 10-Q for the third quarter ended December 31, 2014, that Mr. Beer signed the 10-
6 Q, and that Mr. Hammergren and Mr. Beer signed certifications pursuant to the Sarbanes-Oxley Act
7 of 2002 in connection with the 10-Q. Defendants state that the February 5, 2015 8-K and 10-Q are
8 the best statements of their contents and speak for themselves. Defendants otherwise deny the
9 allegations in paragraph 174.

10 175. To the extent that the allegations in paragraph 175 relate to portions of Lead
11 Plaintiff's claims that have been dismissed by the Court, Defendants are not required to answer these
12 allegations. Defendants admit that McKesson filed a Form 8-K on May 12, 2015 attaching a press
13 release announcing the Company's preliminary results for the fourth quarter and fiscal year ended
14 March 31, 2015, and that Mr. Beer signed the 8-K. Defendants further admit that on May 12, 2015,
15 McKesson filed its 10-K for the fiscal year ended March 31, 2015, that Mr. Hammergren and Mr.
16 Beer signed the 10-K and that Mr. Hammergren and Mr. Beer signed certifications pursuant to the
17 Sarbanes-Oxley Act of 2002 in connection with the 10-K. Defendants state that the May 12, 2015 8-
18 K and 10-K are the best statements of their contents and speak for themselves. Defendants
19 otherwise deny the allegations in paragraph 175.

20 176. To the extent that the allegations in paragraph 176 relate to portions of Lead
21 Plaintiff's claims that have been dismissed by the Court, Defendants are not required to answer these
22 allegations. Defendants admit that McKesson filed a Form 8-K on July 29, 2015 attaching a press
23 release announcing the Company's preliminary results for the first quarter ended June 30, 2015, and
24 that Mr. Beer signed the 8-K. Defendants further admit that on July 29, 2015, McKesson filed its
25 10-Q for the first quarter ended June 30, 2015, that Mr. Beer signed the 10-Q, and that Mr.
26 Hammergren and Mr. Beer signed certifications pursuant to the Sarbanes-Oxley Act of 2002 in
27 connection with the 10-Q. Defendants state that the July 29, 2015 8-K and 10-Q are the best
28 statements of their contents and speak for themselves. Defendants otherwise deny the allegations in

1 paragraph 176.

2 177. To the extent that the allegations in paragraph 177 relate to portions of Lead
3 Plaintiff's claims that have been dismissed by the Court, Defendants are not required to answer these
4 allegations. Defendants admit that McKesson filed a Form 8-K on October 29, 2015 attaching a
5 press release announcing the Company's preliminary results for the second quarter ended September
6 30, 2015, and that Mr. Beer signed the 8-K. Defendants further admit that on October 29, 2015,
7 McKesson filed its 10-Q for the second quarter ended September 30, 2015, that Mr. Beer signed the
8 10-Q, and that Mr. Hammergren and Mr. Beer signed certifications pursuant to the Sarbanes-Oxley
9 Act of 2002 in connection with the 10-Q. Defendants state that the October 29, 2015 8-K and 10-Q
10 are the best statements of their contents and speak for themselves. Defendants otherwise deny the
11 allegations in paragraph 177.

12 178. To the extent that the allegations in paragraph 178 relate to portions of Lead
13 Plaintiff's claims that have been dismissed by the Court, Defendants are not required to answer these
14 allegations. Defendants admit that McKesson filed a Form 8-K on January 27, 2016 attaching a
15 press release announcing the Company's preliminary results for the third quarter ended December
16 31, 2015 and that Mr. Beer signed the 8-K. Defendants further admit that on January 27, 2016,
17 McKesson filed its 10-Q for the third quarter ended December 31, 2015, that Mr. Beer signed the 10-
18 Q, and that Mr. Hammergren and Mr. Beer signed certifications pursuant to the Sarbanes-Oxley Act
19 of 2002 in connection with the 10-Q. Defendants state that the January 27, 2016 8-K and 10-Q are
20 the best statements of their contents and speak for themselves. Defendants otherwise deny the
21 allegations in paragraph 178.

22 179. To the extent that the allegations in paragraph 179 relate to portions of Lead
23 Plaintiff's claims that have been dismissed by the Court, Defendants are not required to answer these
24 allegations. Defendants admit that McKesson filed a Form 8-K on May 4, 2016 attaching a press
25 release announcing the Company's preliminary results for the fourth quarter and fiscal year ended
26 March 31, 2016, and that Mr. Beer signed the 8-K. Defendants further admit that on May 5, 2016,
27 McKesson filed its 10-K for the fiscal year ended March 31, 2016, that Mr. Hammergren and Mr.
28 Beer signed the 10-K and that Mr. Hammergren and Mr. Beer signed certifications pursuant to the

1 Sarbanes-Oxley Act of 2002 in connection with the 10-K. Defendants state that the May 4, 2016 8-
2 K and May 5, 2016 10-K are the best statements of their contents and speak for themselves.
3 Defendants otherwise deny the allegations in paragraph 179.

4 180. The allegations in paragraph 180 relate to portions of Lead Plaintiff's claims that
5 have been dismissed by the Court. Defendants are not required to answer these allegations. To the
6 extent a response is required, Defendants admit that McKesson filed a Form 8-K on July 27, 2016
7 attaching a press release announcing the Company's preliminary results for the first quarter ended
8 June 30, 2016 and that Mr. Beer signed the 8-K. Defendants further admit that on July 27, 2016,
9 McKesson filed its 10-Q for the first quarter ended June 30, 2016, that Mr. Beer signed the 10-Q,
10 and that Mr. Hammergren and Mr. Beer signed certifications pursuant to the Sarbanes-Oxley Act of
11 2002 in connection with the 10-Q. Defendants state that the July 27, 2016 8-K and 10-Q are the best
12 statements of their contents and speak for themselves. Defendants otherwise deny the allegations in
13 paragraph 180.

14 181. To the extent that the allegations in paragraph 181 relate to portions of Lead
15 Plaintiff's claims that have been dismissed by the Court, Defendants are not required to answer these
16 allegations. To the extent a response is required, Defendants admit that McKesson filed a Form 8-K
17 on October 27, 2016 attaching a press release announcing the Company's preliminary results for the
18 second quarter ended September 30, 2016 and that Mr. Beer signed the 8-K. Defendants further
19 admit that on October 27, 2016, McKesson filed its 10-Q for the second quarter ended September
20 30, 2016, that Mr. Beer signed the 10-Q, and that Mr. Hammergren and Mr. Beer signed
21 certifications pursuant to the Sarbanes-Oxley Act of 2002 in connection with the 10-Q. Defendants
22 state that the October 27, 2016 8-K and 10-Q are the best statements of their contents and speak for
23 themselves. Defendants otherwise deny the allegations in paragraph 181.

24 182. To the extent that the allegations in paragraph 182 relate to portions of Lead
25 Plaintiff's claims that have been dismissed by the Court, Defendants are not required to answer these
26 allegations. Defendants otherwise deny the allegations in paragraph 182.

27 183. To the extent that the allegations of paragraph 183 consist of legal conclusions, no
28 response is required. Defendants admit that during the purported Class Period, Mr. Hammergren

1 and Mr. Beer certified McKesson's Forms 10-Q and Forms 10-K, and that McKesson held earnings
2 calls during this period. Defendants otherwise deny the allegations in paragraph 183.

3 184. Defendants admit that one component of its executive compensation was based on
4 Adjusted EPS, and respectfully refer the Court to McKesson's Annual Proxy Statements for 2014 –
5 2017 for a description of the adjusted EPS metric. Defendants otherwise deny the allegations of
6 paragraph 184.

7 185. To the extent that Lead Plaintiff purports to paraphrase McKesson's 2012 Proxy
8 Statement, Defendants respectfully refer the Court to that proxy statement for a complete and
9 accurate statement of its contents. Defendants further state that adjusted EPS was one metric that
10 affected Mr. Hammergren's and Mr. Beer's compensation, and respectfully refer the Court to
11 McKesson's Annual Proxy Statements for 2014 – 2017 for a complete and accurate description of
12 McKesson's executive compensation, including a description of litigation reserve adjustments.
13 Defendants otherwise deny the allegations in paragraph 185.

14 186. To the extent that Lead Plaintiff purports to paraphrase McKesson's 2013 Proxy
15 Statement, Defendants respectfully refer the Court to that proxy statement for a complete and
16 accurate statement of its contents. Defendants otherwise deny the allegations in paragraph 186.

17 187. To the extent that Lead Plaintiff purports to paraphrase McKesson's 2014 – 2017
18 Proxy Statements, Defendants respectfully refer the Court to those proxy statements for a complete
19 and accurate statement of their contents. Defendants otherwise deny the allegations in paragraph
20 187.

21 188. Defendants deny the allegations in paragraph 188.

22 189. To the extent that Lead Plaintiff purports to paraphrase figures in McKesson's 2014 –
23 2017 Proxy Statements, Defendants respectfully refer the Court to those proxy statements for a
24 complete and accurate statement of their contents. Defendants otherwise deny the allegations in
25 paragraph 189.

26 190. To the extent that Lead Plaintiff purports to paraphrase figures in McKesson's 2014 –
27 2017 Proxy Statements, Defendants respectfully refer the Court to those proxy statements for a
28 complete and accurate statement of their contents. Defendants otherwise deny the allegations in

1 paragraph 190.

2 191. To the extent that Lead Plaintiff purports to paraphrase or quote from McKesson's
3 2014 – 2017 Proxy Statements, Mr. Hammergren respectfully refers the Court to those proxy
4 statements for a complete and accurate statement of their contents. Mr. Hammergren otherwise
5 denies the allegations in paragraph 191.

6 192. To the extent that Lead Plaintiff purports to paraphrase or quote from McKesson's
7 2014 – 2017 Proxy Statements, Mr. Beer respectfully refers the Court to those proxy statements for a
8 complete and accurate statement of their contents. Mr. Beer otherwise denies the allegations in
9 paragraph 192.

10 193. To the extent the allegations in paragraph 193 consist of legal conclusions, no answer
11 is required. Defendants deny information or knowledge sufficient to form a belief as to the truth or
12 falsity of the allegations in the third sentence of paragraph 193, relating to whether Lead Plaintiff or
13 any other investor purchased any of McKesson's common stock. Defendants otherwise deny the
14 allegations in paragraph 193.

15 194. To the extent the allegations in paragraph 194 consist of legal conclusions, no answer
16 is required. With respect to alleged price declines referred to in paragraph 194, Defendants
17 respectfully refer the Court to publicly reported market services for the trading price of McKesson's
18 common stock. Defendants otherwise deny the allegations in paragraph 194.

19 195. To the extent the allegations in paragraph 195 consist of legal conclusions, no answer
20 is required. Further, to the extent that the allegations in paragraph 195 relate to portions of Lead
21 Plaintiff's claims that have been dismissed by the Court, no answer is required. With respect to
22 alleged price declines referred to in the second to last sentence of paragraph 195, Defendants
23 respectfully refer the Court to publicly reported market services for the trading price of McKesson's
24 securities. Defendants deny knowledge or information sufficient to form a belief as to the truth or
25 falsity of Lead Plaintiff's allegation that it suffered losses in connection with any of its trades of
26 McKesson securities. Defendants deny that Lead Plaintiff suffered legally cognizable damages in
27 connection with any such trades, and otherwise deny the allegations in paragraph 195.

28 196. Defendants admit that McKesson held a Guidance / Update call on January 11, 2016

1 and state that transcripts are recorded by third parties, and to the extent the Guidance / Update call
2 transcript differs from what was actually said, Defendants deny the allegations. In all other respects,
3 the transcript speaks for itself. With respect to alleged price declines referred to in paragraph 196,
4 Defendants respectfully refer the Court to publicly reported market services for the trading price of
5 McKesson's common stock, and for price changes in the S&P 500 index and in the S&P Healthcare
6 index. Defendants otherwise deny the allegations in paragraph 196.

7 197. Paragraph 197 relates to portions of Lead Plaintiff's claims that have been dismissed
8 by the Court. Defendants are not required to answer these allegations. To the extent that a response
9 is required, Defendants admit that on October 27, 2016, McKesson filed an 8-K, attaching a copy of
10 a press release announcing the Company's preliminary results for the second quarter ended on
11 September 30, 2016. Defendants state that the 8-K speaks for itself and is the best statement of its
12 contents. Defendants further admit that McKesson held its earnings call for Q2 2017 on October 27,
13 2016, and that Mr. Hammergren and Mr. Beer were among the participants. Defendants further state
14 that transcripts are recorded by third parties, and to the extent the earnings call transcript differs from
15 what was actually said, Defendants deny the allegations. In all other respects, the transcript speaks
16 for itself. Defendants otherwise deny the allegations in paragraph 197.

17 198. With respect to alleged price declines referred to in paragraph 198, Defendants
18 respectfully refer the Court to publicly reported market services for the trading price of McKesson's
19 common stock, and for price changes in the S&P 500 index and in the S&P Healthcare index.
20 Defendants otherwise deny the allegations in paragraph 198.

21 199. Defendants state that the November 3, 2016 *Reuters* article titled "Drugmakers under
22 fire for possible U.S. price fixing" and November 3, 2016 *Bloomberg* article titled "U.S. Charges in
23 Generic-Drug Probe Said to be Filed by Year-End" speak for themselves and are the best statements
24 of their contents. With respect to alleged price declines referred to in paragraph 199, Defendants
25 respectfully refer the Court to publicly reported market services for the trading price of McKesson's
26 common stock, and for price changes in the S&P 500 index and in the S&P Healthcare index.
27 Defendants otherwise deny the allegations in paragraph 199.

28 200. Paragraph 200 relates to portions of Lead Plaintiff's claims that have been dismissed

1 by the Court. Defendants are not required to answer these allegations. To the extent that a response
 2 is required, Defendants admit that McKesson held its earnings call for 3Q 2017 on January 25, 2017
 3 and that Mr. Hammergren and Mr. Beer were among the participants. Defendants further state that
 4 transcripts are recorded by third parties, and to the extent the earnings call transcript differs from
 5 what was actually said, Defendants deny the allegations. In all other respects, the transcript speaks
 6 for itself. Defendants otherwise deny the allegations in paragraph 200.

7 201. Paragraph 201 relates to portions of Lead Plaintiff's claims that have been dismissed
 8 by the Court. Defendants are not required to answer these allegations. To the extent that a response
 9 is required, Defendants state that the quoted analyst reports speak for themselves and are the best
 10 statements of their contents. Defendants otherwise deny the allegations in paragraph 201.

11 202. With respect to alleged price declines referred to in paragraph 202, Defendants
 12 respectfully refer the Court to publicly reported market services for the trading price of McKesson's
 13 common stock, and for price changes in the S&P 500 index and in the S&P Healthcare index.
 14 Defendants otherwise deny the allegations in paragraph 202.

15 203. To the extent the allegations in paragraph 203 consist of legal conclusions, no answer
 16 is required. With respect to alleged price declines referred to in paragraph 203, Defendants
 17 respectfully refer the Court to publicly reported market services for the trading price of McKesson's
 18 common stock. Defendants deny knowledge or information sufficient to form a belief as to the truth
 19 or falsity of Lead Plaintiff's allegation that it suffered losses in connection with its trades in
 20 McKesson securities. Defendants deny that Lead Plaintiff suffered legally cognizable damages in
 21 connection with any such trades and otherwise deny the allegations in paragraph 203.

22 204. Paragraph 204 states legal conclusions to which no response is required. To the
 23 extent any response is required, Defendants deny the allegations in paragraph 204.

24 205. Paragraph 205 states legal conclusions to which no response is required. To the
 25 extent any response is required, Defendants deny the allegations in paragraph 205.

26 206. To the extent the allegations in paragraph 206 consist of legal conclusions, no
 27 response is required. Defendants further answer the 6 sub-bullets of paragraph 206 as follows:

- 28 • Defendants deny the allegations of sub-bullet 1;

- Defendants deny the allegations of sub-bullet 2;
- Defendants admit that McKesson common stock traded on the NYSE during the purported Class Period. The assertion that the market was efficient as to McKesson's stock is a matter of legal and economic expert opinion and accordingly no response is required at this time. Defendants further respectfully refer the Court to publicly reported market services for information regarding McKesson's trading volumes;
- Defendants admit that McKesson common stock traded on the NYSE during the purported Class Period and that it was covered by securities analysts;
- Defendants deny the allegations of sub-bullet 5;
- Defendants deny knowledge or information sufficient to form a belief as to the truth of allegations regarding whether Lead Plaintiff or any other investors purchased McKesson securities. Defendants otherwise deny the allegations in sub-bullet 6.

207. Paragraph 207 states legal conclusions to which no response is required. To the extent any response is required, Defendants deny the allegations in paragraph 207.

208. Paragraph 208 states legal conclusions to which no response is required. To the extent any response is required, Defendants deny the allegations in paragraph 208.

209. To the extent that the allegations in paragraph 209 consist of a definition and characterization of the purported class, no response is required. Defendants deny that class treatment in the manner set forth and for the time period alleged is appropriate and otherwise deny the allegations in paragraph 209.

210. To the extent the allegations in paragraph 210 consist of legal conclusions, no response is required. Defendants admit that McKesson stock traded on the NYSE during the dates within Lead Plaintiff's purported Class Period. Defendants deny that class treatment in the manner set forth and for the time period alleged is appropriate and otherwise deny the allegations in paragraph 210.

211. To the extent the allegations in paragraph 211 consist of legal conclusions, no response is required. Defendants deny that class treatment in the manner set forth and for the time period alleged is appropriate and otherwise deny the allegations in paragraph 211.

1 212. To the extent the allegations in paragraph 212 consist of legal conclusions, no
2 response is required. Defendants deny that class treatment in the manner set forth and for the time
3 period alleged is appropriate and otherwise deny the allegations in paragraph 212.

4 213. To the extent the allegations in paragraph 213 consist of legal conclusions, no
5 response is required. Defendants deny that class treatment in the manner set forth and for the time
6 period alleged is appropriate and otherwise deny the allegations in paragraph 213.

7 214. To the extent the allegations in paragraph 214 consist of legal conclusions, no
8 response is required. Defendants deny that class treatment in the manner set forth and for the time
9 period alleged is appropriate and otherwise deny the allegations in paragraph 214.

10 215. Defendants repeat and reallege each of the answers set forth above as if fully set forth
11 herein.

12 216. Paragraph 216 states legal conclusions to which no response is required. To the
13 extent any response is required, Defendants deny the allegations in paragraph 216.

14 217. Paragraph 217 states legal conclusions to which no response is required. To the
15 extent any response is required, Defendants deny the allegations in paragraph 217.

16 218. Paragraph 218 states legal conclusions to which no response is required. To the
17 extent any response is required, Defendants deny the allegations in paragraph 218.

18 219. Paragraph 219 states legal conclusions to which no response is required. To the
19 extent any response is required, Defendants deny the allegations in paragraph 219.

20 220. Paragraph 220 states legal conclusions to which no response is required. To the
21 extent any response is required, Defendants deny the allegations in paragraph 220.

22 221. Paragraph 221 states legal conclusions to which no response is required. To the
23 extent any response is required, Defendants deny the allegations in paragraph 221.

24 222. Paragraph 222 states legal conclusions to which no response is required. To the
25 extent any response is required, Defendants deny the allegations in paragraph 222.

26 223. Paragraph 223 states legal conclusions to which no response is required. To the
27 extent any response is required, Defendants deny the allegations in paragraph 223.

28 224. Paragraph 224 states legal conclusions to which no response is required. To the

1 extent any response is required, Defendants deny the allegations in paragraph 224.

2 225. Defendants repeat and reallege each of the answers set forth above as if fully set forth
3 herein.

4 226. Paragraph 226 states legal conclusions to which no response is required. To the
5 extent any response is required, Defendants deny the allegations in paragraph 226.

6 227. Paragraph 227 states legal conclusions to which no response is required. To the
7 extent any response is required, Defendants deny the allegations in paragraph 227.

8 228. Paragraph 228 states legal conclusions to which no response is required. To the
9 extent any response is required, Defendants deny the allegations in paragraph 228.

10 229. Paragraph 229 states legal conclusions to which no response is required. To the
11 extent any response is required, Defendants deny the allegations in paragraph 229.

12 230. Mr. Hammergren repeats and realleges each of the answers set forth above as if fully
13 set forth herein.

14 231. Paragraph 231 states legal conclusions to which no response is required. To the
15 extent any response is required, Mr. Hammergren denies the allegations in paragraph 231.

16 232. Paragraph 232 states legal conclusions to which no response is required. To the
17 extent any response is required, Mr. Hammergren denies the allegations in paragraph 232.

18 233. To the extent that Lead Plaintiff purports to quote from or paraphrase Mr.
19 Hammergren's Forms 4 filed with the SEC, Mr. Hammergren respectfully refers the Court to those
20 Forms 4 for a complete and accurate statement of their contents. To the extent any further response
21 is required, Mr. Hammergren denies the allegations in paragraph 233.

22 234. Paragraph 234 states legal conclusions to which no response is required. To the
23 extent any response is required, Mr. Hammergren lacks knowledge or information sufficient to form
24 a belief as to the truth or falsity of Lead Plaintiff's allegations regarding its purchases, and on that
25 basis denies them. Mr. Hammergren otherwise denies the allegations in paragraph 234.

26 235. Paragraph 235 states legal conclusions to which no response is required. To the
27 extent any response is required, Mr. Hammergren denies the allegations in paragraph 235.

28

RESPONSE TO PRAYER FOR RELIEF

Defendants deny that Lead Plaintiff or members of the putative class are entitled to the requested relief, or any relief, against Defendants, and Defendants request that the Court dismiss all claims against with prejudice and order such further relief as the Court deems just and proper.

RESPONSE TO DEMAND FOR TRIAL BY JURY

Defendants deny the allegations in the jury demand and deny that Lead Plaintiff has any valid claims against them, except admit that Lead Plaintiff purports to demand a jury trial.

AFFIRMATIVE DEFENSES

Without admitting any wrongful conduct, and without admitting that Lead Plaintiff or the members of the purported class have suffered any loss, damage, or injury, Defendants allege the following affirmative defenses to the allegations set forth in the Complaint. By designating the following affirmative defenses, Defendants do not in any way waive or limit any defenses raised by the denials, allegations, and averments set forth elsewhere in this Answer. Defendant also do not, by alleging any affirmative defenses, admit that Lead Plaintiff does not have the burden of proof as to those defenses, and the statement of any defense hereinafter does not assume the burden of proof for any issue as to which applicable law places the burden upon Lead Plaintiff. These defenses are pleaded in the alternative, are raised to preserve Defendants' right to assert such defenses, and are without prejudice to Defendants' ability to raise other and further defenses. Defendants expressly reserve the right to amend and/or supplement their defenses as may be necessary.

Where Defendants' defenses are based on actions or omissions by a Plaintiff or Plaintiffs, Defendants refer for present purposes to Lead Plaintiff. If a class were later to be certified in this matter, these defenses would apply equally to any future class members.

FIRST DEFENSE
(Failure to State a Claim)

Lead Plaintiff's Complaint and the purported claims for relief state therein fail to state a claim on which relief can be granted.

SECOND DEFENSE
(No False Statement)

Defendants are not liable on the claims alleged by Lead Plaintiff because Defendants made no actionably false or misleading statements or omissions of material fact.

THIRD DEFENSE
(No Duty to Disclose)

Lead Plaintiff's claims are barred, in whole or in part, because Defendants had no duty to disclose to Lead Plaintiff the information allegedly omitted in any statements made by Defendants.

FOURTH DEFENSE
(Lack of Scienter)

Defendants are not liable on the claims alleged by Lead Plaintiff because Defendants did not make the challenged statements with the necessary scienter.

FIFTH DEFENSE
(Lack of Materiality)

The claims alleged by Lead Plaintiff are barred, in whole or in part, because the statements Lead Plaintiff challenges were not material to the investment decisions of a reasonable investor in view of, *inter alia*, the total mix of available information.

SIXTH DEFENSE
(Good Faith)

The claims alleged by Lead Plaintiffs cannot be maintained in whole or in part because Defendants at all times acted in good faith, exercised due diligence, and conducted a reasonable investigation and had a good faith basis and reasonable grounds to believe, and did believe at the time their statements were made, that such statements were true and not misleading, and therefore were made wholly without scienter and without any intent to defraud.

SEVENTH DEFENSE
(No Knowledge of Untrue Statement)

Lead Plaintiff's claims are barred, in whole or in part, because Defendants did not know, and in the exercise of reasonable care could not have known, that any statements made by Defendants contained an untrue statement of material fact or an omission of a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading.

EIGHTH DEFENSE
(Reliance)

The claims alleged by Lead Plaintiff are barred, in whole or in part, because Defendants are not liable because the alleged misrepresentations or omissions by Defendants were based on good faith and in reasonable reliance upon information provided by others upon whom Defendants were entitled to rely.

NINTH DEFENSE
(Reliance on Advice of Professionals)

The claims alleged by Lead Plaintiff are barred, in whole or in part, because at all relevant times, the Defendants relied in good faith on the representations, reports, expert opinions, advice, and professional judgments of others at the time of the alleged acts as to matters which Defendants reasonably believed to be within such persons' professional or expert competence.

TENTH DEFENSE
(Conduct of Third Parties)

The claims alleged by Lead Plaintiff cannot be maintained in whole or in part because the conduct of parties other than Defendants proximately caused the alleged harms, if any, complained of.

ELEVENTH DEFENSE
(Failure to Plead or Prove Fraud with Particularity)

The claims alleged by Lead Plaintiff cannot be maintained in whole or in part because Lead Plaintiff cannot plead or prove fraud with the particularity required by Rule 9(b) of the Federal Rules of Civil Procedure and the Private Litigation Securities Reform Act of 1995, 15 U.S.C. § 78u-4(b)(1), and otherwise fails to properly identify the alleged false or misleading statements of which Lead Plaintiff complains or why those statements were allegedly false.

TWELFTH DEFENSE
(Equitable Defenses)

The claims alleged by Lead Plaintiff are barred, in whole or in part, under such equitable defenses as the evidence demonstrates, including but not limited to the doctrines of estoppel, unclean hands, waiver, and laches.

THIRTEENTH DEFENSE
(Safe Harbor)

To the extent that the claims alleged by Lead Plaintiff are based on predictions and forward-looking statements, Lead Plaintiff is barred from recovery, in whole or in part, under the bespeaks caution doctrine and/or the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, and cannot be the basis for liability by virtue of Section 21E of the Securities and Exchange Act of 1934.

FOURTEENTH DEFENSE
(Opinion Statement)

To the extent that the claims alleged by Lead Plaintiff are based on opinion statements, Lead Plaintiff is barred in whole or in part from recovery under the framework set forth in *Omnicare, Inc. v. Laborers District Council*, 135 S. Ct. 1318 (2015).

FIFTEENTH DEFENSE
(Lack of Causation)

The claims alleged by Lead Plaintiff are barred, in whole or in part, because any damage, loss, or injury allegedly sustained by Lead Plaintiff was not directly or proximately caused, in whole or in part, by any purported misstatement or omission by Defendants.

The claims alleged by Lead Plaintiff are barred, in whole or in part, because no material misstatement of fact, omission to state a required fact, or omission to state a material fact necessary to make a statement not misleading caused, in whole, in part, or at all, any diminution in the value of the McKesson securities allegedly purchased by Lead Plaintiff.

The claims alleged by Lead Plaintiff are also barred, in whole or in part, because any increase or decrease in the market value of McKesson securities was the result of market factors, superseding or intervening causes, or other factors for which Defendants are not responsible, or acts and/or omissions of other persons or entities for whom Defendants are not responsible, and not from the alleged wrongful conduct on the part of the Defendants.

SIXTEENTH DEFENSE
(No Fraud on the Market Presumption)

1 The claims alleged by Lead Plaintiff are barred, in whole or in part, to the extent that (i) the
 2 market price of McKesson common stock was not inflated as a result of any alleged
 3 misrepresentation or omission made by Defendants; (ii) there was no price impact from the alleged
 4 misrepresentations; (iii) the allegedly false or misleading statements asserted in the Complaint were
 5 not immediately assimilated into the market; (iv) no efficient market existed for the trading of
 6 McKesson common stock; and (v) a “fraud on the market” presumption is not legally or factually
 7 proper. The claims alleged by Lead Plaintiff are also barred, in whole or in part, for lack of actual
 8 reliance by Lead Plaintiff on any of the alleged misrepresentations or omissions.

9 **SEVENTEENTH DEFENSE**
 10 **(Failure to Mitigate Damages)**

11 The claims alleged by Lead Plaintiff are barred, in whole or in part, by the failure of Lead
 12 Plaintiff to take appropriate steps to mitigate, reduce, or otherwise avoid its alleged damages.

13 **EIGHTEENTH DEFENSE**
 14 **(Assumption of Risk)**

15 The claims alleged by Lead Plaintiff are barred, in whole or in part, because Lead Plaintiff
 16 knowingly and/or recklessly assumed risks when purchasing the securities described in the
 17 Complaint.

18 **NINETEENTH DEFENSE**
 19 **(Offset of Damages)**

20 Defendants are entitled to offset the damages of Lead Plaintiff, if any, by benefits received
 21 by Lead Plaintiff through its investments in McKesson, in accordance with the Private Securities
 22 Litigation Reform Act, common law, or any other applicable statute, rule, or regulation.

23 **TWENTIETH DEFENSE**
 24 **(Lack of Standing)**

25 The claims alleged by Lead Plaintiff are barred in whole or in part because Lead Plaintiff
 26 lacks standing, in whole or in part, to assert and maintain them, and the claims alleged by Lead
 27 Plaintiff are barred in whole or in part because Lead Plaintiff lacks standing under Article III of the
 28 United States Constitution.

TWENTY-FIRST DEFENSE

(Independent Investment Decision)

The claims alleged by Lead Plaintiff are barred, in whole or in part, because Lead Plaintiff relied exclusively upon its own independent investigations, its own decisions, and the advice of its professional investment advisors.

TWENTY-SECOND DEFENSE
(No Reliance)

The claims alleged by Lead Plaintiff are barred in whole or in part for lack of reliance by Lead Plaintiff on any allegedly false or misleading statement made by Defendants.

TWENTY-THIRD DEFENSE
(Truth on the Market)

The claims alleged by Lead Plaintiff are barred in whole or in part to the extent that the substance of the material information that Lead Plaintiff alleges to have been omitted or misrepresented was in fact publicly disclosed and/or was otherwise publicly available and in the public domain, and thus was available to Lead Plaintiff, to the market, and to the investing community.

TWENTY-FOURTH DEFENSE
(No Damages)

The claims alleged by Lead Plaintiff are barred in whole or in part because Lead Plaintiff has suffered no damages.

TWENTY-FIFTH DEFENSE
(Speculative damages)

Lead Plaintiff's alleged damages, if any, are speculative and thus not recoverable.

TWENTY-SIXTH DEFENSE
(Damages Exceed Permitted Amount)

The claims alleged by Lead Plaintiff are barred, in whole or in part, to the extent that the damages sought exceed those permitted under the Private Securities Litigation Reform Act, common law, or any other applicable statute, rule, or regulation.

TWENTY-SEVENTH DEFENSE
(No Equitable Remedies)

Any claim by Lead Plaintiff for equitable relief, including any claim for injunctive relief, is barred because Lead Plaintiff has an adequate remedy at law.

TWENTY-EIGHTH DEFENSE
(No Costs or Expenses)

Lead Plaintiff is not entitled to recover the costs and expenses of this litigation, including attorneys' fees, accountants' fees, experts' fees, and other costs and disbursements.

TWENTY-NINTH DEFENSE
(Lack of Inducement and Good Faith Conduct Under
Section 20(a) of the Exchange Act)

Defendants cannot be held liable as control persons under Section 20(a) of the Exchange Act because Defendants at all times acted in good faith and did not directly or indirectly induce any act or acts constituting a violation of the Exchange Act. *See* 15 U.S.C. § 78t(a).

THIRTIETH DEFENSE
(Rule 10b5-1 Safe Harbor)

The claims alleged by Lead Plaintiff are barred because the challenged stock trades were carried out pursuant to a pre-existing contract, instruction, or plan. 17 C.F.R. § 10b5-1(c)(1).

THIRTY-FIRST DEFENSE
(Improper Class Action – Class Not Ascertainable)

The claims alleged by Lead Plaintiff are not properly the subject of a class action because the putative class is not ascertainable.

THIRTY-SECOND DEFENSE
(Improper Class Action – Lack of Numerosity)

The claims alleged by Lead Plaintiff are not properly the subject of a class action because the numerosity requirement of Rule 23 of the Federal Rules of Civil Procedure is not met.

THIRTY-THIRD DEFENSE
(Improper Class Action – Lack of Commonality)

The claims alleged by Lead Plaintiff are not properly the subject of a class action because the commonality requirement of Rule 23 of the Federal Rules of Civil Procedure is not met.

THIRTY-FOURTH DEFENSE
(Improper Class Action – Lack of Typicality)

The claims alleged by Lead Plaintiff are not properly the subject of a class action because the typicality requirement of Rule 23 of the Federal Rules of Civil Procedure is not met.

THIRTY-FIFTH DEFENSE
(Improper Class Action – Individual Issues Predominate)

The claims alleged by Lead Plaintiff are not properly the subject of a class action because individual issues predominate over issues common to the putative class.

THIRTY-SIXTH DEFENSE
(Improper Class Action – Irresolvable Conflicts)

The claims alleged by Lead Plaintiff are not properly the subject of a class action because irresolvable conflicts exist within the putative class.

THIRTY-SEVENTH DEFENSE
(Improper Class Action)

The claims alleged by Lead Plaintiff are not properly the subject of a class action because a class action is not a superior means of adjudication.

THIRTY-EIGHTH DEFENSE
(Improper Lead Plaintiff)

The claims alleged by Lead Plaintiff are not properly maintainable as a class action because Lead Plaintiff is not a proper class representative and will not fairly and adequately protect the interests of the members of the putative class.

FORTIETH DEFENSE
(Necessary and Indispensable Parties)

Other parties not named in the Complaint may be necessary and indispensable parties to this action.

FORTY-FIRST DEFENSE
(Dismissed Claims)

The claims alleged by Lead Plaintiff are barred, in whole or in part, to the extent Lead Plaintiff's claims were dismissed by the Court on October 30, 2019.

FORTY-SECOND DEFENSE
(Additional Defenses, Cross-Claims and Third-Party Claims)

Defendants hereby reserve and reassert all affirmative defenses available under any applicable federal and/or state law. Defendants reserve the right to assert and pursue any additional defenses, cross-claims, and third-party claims not asserted herein of which they may become aware through discovery or other investigation.

WHEREFORE, Defendants respectfully request that the Court dismiss Lead Plaintiff's claims against them, award costs, disbursements, and attorneys' fees to Defendants, and grant such other and further relief that the Court deems just and proper.

DATED: February 7, 2020

By: /s/ Sara B. Brody

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